



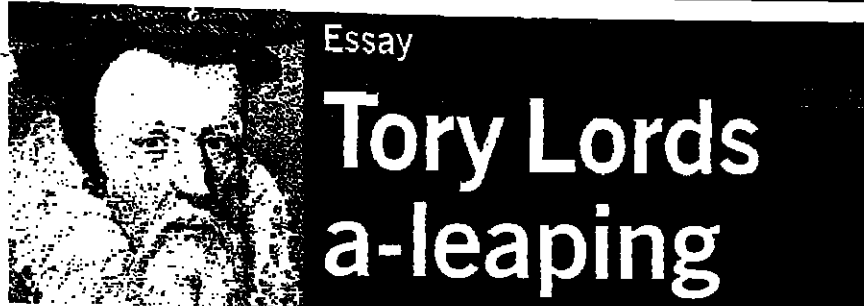
# THE INDEPENDENT

Nº 3,159

WEDNESDAY 4 DECEMBER 1996

WEATHER: Cold and windy

40p (IR 45p)



Essay

## Tory Lords a-leaping



The Tabloid

## Suzanne Moore on sexual de-selection



The Tabloid

## Bridget Jones: Chocolate and the single girl

# Britain's would-be Nazi queen

Steve Boggan and John Crossland

Wallis Simpson, the woman for whom Edward VIII abdicated, conducted secret negotiations with the Nazis in order to have herself installed as Queen of England "at any price", according to secret government papers released yesterday.

The Public Record Office documents confirm for the first time what historians have long suspected - that Edward, the Duke of Windsor, was a firm Nazi sympathiser and his American wife was a malign influence.

A memorandum released by the Foreign Office, 60 years after the abdication, provides the

most startling evidence yet of the Windsors' willingness to collaborate with Hitler.

The couple had left Britain for neutral Portugal, but there were government concerns throughout the summer of 1940 that the Nazis might take Edward - by force or persuasion - with the intention of installing him as a puppet king in the event of an invasion.

The latest evidence suggests that force, at least on the part of the duchess, might not have been necessary. Dated 7 July 1940, it comes in the form of a memorandum from an informant inside occupied Czechoslovakia to Sir Alexander Cadogan, permanent secretary at the Foreign Office.

It says: "A new source in close touch with Von Neurath's (the German protector of Bohemia's) entourage in Prague has reported that the Germans expect assistance from the Duke and Duchess of Windsor, the latter desiring at any price to become Queen. The Germans have been negotiating with her since June 27."

"The status quo in England expect an understanding to form an anti-Russian alliance."

"The Germans propose to form an opposition government with the Duke of Windsor, having first changed public opinion by propaganda."

The Germans think King George will abdicate during the attack on London.

Royal historians were not surprised by the contents of many of yesterday's papers - particularly those once again demonstrating the duke's pro-Nazi sympathies and his embarrassing comments and behaviour after being sent to act as Governor of the Bahamas in 1940. But the confirmation of Wallis Simpson's role in the affair was regarded as significant.

"This dots the i's and crosses the t's," said Harold Brooks-Baker, publishing director of Burke's Peerage.

"She was always regarded as bad news, particularly by the Americans. Roosevelt was always worried about Edward's Nazi leanings and considered

her the best thing that ever happened - she stopped him having to deal with a pro-Nazi king."

The revelations also go some way to explaining the Queen Mother's life-long loathing of the duchess.

There are many more references, however, to the duke's aspirations and to his Nazi leanings.

One intelligence report from a Spaniard, Count Nava de Tajo, to British diplomats said that the duke believed there could be a revolution in Britain, resulting in the abdication of King George VI. He then hoped that a subsequent Labour government would invite him back to take the throne.

Later, a senior Foreign Office specialist covering America wrote to Sir David Douglas-Scott, assistant under-secretary of state, complaining about an interview the duke had given to an American newspaper arguing against US involvement in the war.

Clearly furious, he concludes: "I propose that he now be told of the harm that he has done, and strictly prohibited from giving any more interviews at all without having his texts vetted and authorised at home... [This] may help to correct the gaffe of sending him to this post. It - or any post near the USA - should have been the last chosen."

Duke and the Nazis, page 6



Nazi collaborator: Wallis Simpson negotiated with the Germans

## Ministers fear maize breakout

Ian Burrell

Ministers have been warned that genetically-altered American corn is to enter the British food chain despite government safety objections.

Briefings prepared for ministers, and seen by *The Independent*, warn that the imports pose a risk to health. In a memo to John Gummer, the Secretary of State for the Environment, Dr William Parish, of the DoE's Chemicals and Biotechnology Division, warned: "[The maize] will be imported shortly despite the fact that it is not authorised in an unprocessed form, and that the UK objected to proposals to

whether any particular shipment contains GM maize."

The Ministry of Agriculture Fisheries and Food (MAFF) has objected to the GM corn on the grounds that it could compromise treatment of diseases in animals and humans.

The modified corn has been manipulated to be tolerant to herbicide and to poison insects which eat it, but it also contains a gene which is resistant to Ampicillin antibiotics.

There is concern at MAFF that if the GM maize was used in animal feeds it could lead to drug-resistant bacteria forming in the digestive system of livestock, compromising disease treatment in animals and humans.

Next week Mr Gummer will attend a meeting of the EC Environment Council at which permission for marketing the GM maize will be discussed. The council will consider research undertaken by the EC Scientific Committee on Food, the Scientific Committee on Animal Nutrition and the Scientific Committee for Pesticides. Britain must abide by the council's decision.

Ciba-Geigy, the company which developed the genetically-modified maize seeds, is confident it will get approval to market the product.

Daniel Blancpain, worldwide Head of Ciba Seeds, said: "We agree with the Commission that no efforts should be spared in order to ensure that our product can be widely accepted and be met with confidence by the public."

When the GM maize is processed for human consumption, it is believed to be safe.

However, MAFF asked the Laboratory of the Government Chemist to see if any of the DNA in the modified product would remain after processing.

The briefing states: "It appears that fragments can survive and MAFF are now seeking the views of independent experts... about whether this changes their view on the risk of processed maize."



authorise it."

He added: "Given that the UK objected to the unrestricted marketing of genetically-modified (GM) maize, there is bound to be concern that the imported maize gluten feed represents a risk to human health and safety to the environment."

The new maize - known as Genetech Corn - is already being cultivated in America and government sources said it could be done to keep it out.

The DoE memo warns: "The UK has no control over the mixing of GM and non-GM maize in the USA. In practice, it is not possible to identify nor separate the GM maize once it arrives in the UK as a bulk commodity. Therefore, no one will know

**QUICKLY**

**Major firm on EMU**

The Prime Minister yesterday firmly nailed reports that he was prepared to jettison the agreed Cabinet line on the European single currency. Page 2

**Food bug lawsuit**

Seven children are suing the Government and other organisations after being infected by the food poisoning bug which has killed six in Scotland. Their families say the Government failed to warn of the dangers of the bacterium E-coli 0157. Page 2



## The next Miss Australia might just be a bloke



Beauty and the Bruce: Political correctness took a decisive turn yesterday when Brad Rodgers took his place with the other finalists in the Miss Australia contest. Attacks on the contest led to the beauty aspect being ditched in favour of other criteria including raising charity funds. This allows Mr Rodgers to qualify after he raised A\$100,000 for the Spastics Society

## Jewish civil war feared by Israelis

Patrick Cockburn Jerusalem

As hostility increases between secular and religious Israelis, a poll indicates that 47 per cent of Jews believe, with differing degrees of certainty, that the polarisation of their society may lead to a Jewish civil war.

According to a poll of 1,025 Jewish Israelis carried out by the Geocoartographic Institute, it is secular Jews who feel under greatest threat. Some 51 per cent of them believe that there will be a civil war, compared to 38 per cent of religious Jews. 30 per cent think it inevitable, 40 per cent probable and 24 per cent possible.

The problem is far more complicated than a simple division between secular and religious, between the fifth of the population which never goes to the synagogue and those who go every day. The melting-pot which was intended to produce a single Israeli identity never entirely worked. In addition to the Israeli Arabs, there are five distinct Jewish communities in Israel, each with its own interests and institutions.

These are the ultra-orthodox, the religious nationalists, the Sephardi Jews, the Russian immigrants and the secular Jews. The members of each community are usually easily identifiable in the street.

The ultra-orthodox sport their black suits, and the religious nationalists - a coherent community with their separate educational system and university - their skullcaps. The 600,000 Russian immigrants are not difficult to identify, nor

are the Sephardi Jews, whose parents or grandparents came from the Middle East and North Africa, and whose absorption has only been partly successful.

One of the surprises of the last election was the success of their political party, Shas. Secular Israelis, highly educated, affluent, of European origin and conscious of their status as founders of the state, have tended to underestimate the strength of these other sub-cultures. Labour, the party of the

**The division between the secular and the religious has always been at the heart of Israeli politics**

left-wing ally, Meretz, was defeated by one in coalition with the religious parties.

The large number of polls - such as that by the Geocoartographic Institute on the likelihood of civil war - assessing the strength of Jewish solidarity and the degree of animosity between groups is itself a sign of nervousness. In Jerusalem, for instance, 40 per cent of secular Jews say they want to leave the city because of conflicts with the ultra-orthodox.

Short of armed conflict with the Palestinians, the Prime Minister, Benjamin Netanyahu, is probably agile enough to keep the conflict between secular and religious from boiling over. Despite the big gains of the religious communities in politics, education and their increasing role in the army, there are some signs of cultural counter-attack against the super-heated religious nationalism and reliance on armed strength alone to which Mr Netanyahu sometimes appeals.

## Bomb on Paris train kills two

MARY DEJEVSKY Paris

A big explosion rocked a central Paris underground station at rushhour last night, killing two people, and injuring 50. Twelve people were seriously hurt and three were said to be in a critical state.

The French Prime Minister, Alain Juppé, who arrived at the scene shortly afterwards, confirmed that the explosion was caused by a bomb and immediately invoked the emergency security plan, Vigipirate, which was applied during the terrorist attacks in the summer of 1995. Justice sources said the explosive device was stored in a 15kg (33 lb) gas canister, similar to those used by Algerian Muslim fundamentalists in bombings last year.

The bomb exploded at 1845 in the second carriage of a suburban underground train as it arrived at the Port Royale station not far from Montparnasse. Eyewitnesses said that the train was still moving when the bomb went off and that "an incredible fire" broke out. Dozens of ambulances and fire engines were on the scene within minutes, the wailing of their sirens audible across central Paris.

Port Royale is on the same B line of the suburban rail network, the RER, as Saint-Michel station, where a bomb attack took place in 1995, and only two stops away.

Yesterday's bomb comes within days of Algeria's referendum in which Algerians apparently voted by a large majority for the country's new constitution which outlaws fundamentalist religious groups.

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## news

## significant shorts

## Channel Tunnel to reopen

Eurotunnel was last night given permission to resume passenger services, 15 days after fire severely damaged a 600-metre stretch of the Channel Tunnel.

The go-ahead by the Anglo-French Intergovernmental Commission, after advice from the tunnel safety authority, means Eurostar trains from Waterloo and car and coach shuttle services could start almost immediately. The welcome news for the debt-ridden company came two days after it staged a security drill to restore confidence in emergency procedures.

However, the Conservative MP Roger Gale said he still had "considerable lingering anxieties" at the re-opening. The safety authority said after meeting in London that it was satisfied "that the necessary safety equipment is available and that revised operating and emergency procedures are in place".

## The Pope greets Carey

The Archbishop of Canterbury, Dr George Carey, arrived in Rome for three days of talks at the Vatican. The talks will be "very tough and interesting" according to a member of the Archbishop's party.

Pope John Paul II, greeting Dr Carey in his library, said: "Even in our sad separation, Anglicans and Catholics have not ceased to be brothers and sisters in the one Lord." Dr Carey told the Pope: "We cannot undo overnight doctrinal differences and the bitterness that have resulted from the legacy of history. But we are able to confront them as fellow Christians." *Andrew Brown*

## Odd-job man is cleared

Mark Weston, 21, an odd-job man, was cleared at Oxford Crown Court of murdering his near neighbour Vikki Thompson, who was bludgeoned to death while walking her dog near Ascott-under-Wychwood, Oxfordshire.

## Treasury burns

The Treasury was evacuated after fire broke out in the basement. William Waldegrave, Chief Secretary, was among 1,500 people forced to wait outside while the blaze, caused by electrical equipment, was extinguished.

## Pay ruling bonanza for women

Any female worker who was paid less than a man who succeeds her can claim compensation under equal pay laws, the Employment Appeal Tribunal has decided.

Josanne Connaughton, director of music at St. Marie's Cathedral, Sheffield, claimed equal pay with a man who succeeded her. Ms Connaughton's basic salary was £11,138, with a travel allowance of £1,145, while her successor was appointed on £20,000. The diocese of Hallam agreed to pay her £10,000 compensation and promised to take account of her experience in future. *Barrie Clement*

## Rothschild leaves £18m

Amschel Rothschild, the financier and heir to one of the world's most powerful banking dynasties, left more than £18m. Mr Rothschild, 41, who had three children, was found hanged in a Paris hotel bathroom in July. He left most of his estate to relatives.

## Hospitals will axe hundreds

Hundreds of nurses and other health workers in south-west London are expecting redundancy notices over the Christmas holidays in anticipation of spending cuts of up to £22m, according to the public service union Unison. The two health authorities involved cover Merton, Sutton, Wandsworth, Kingston and Richmond. *Barrie Clement*

## Woman wins top police post

A woman has been appointed chief constable of Wiltshire police. Elizabeth Neville, deputy chief constable in Northamptonshire, will be Britain's second woman chief constable.

## Homes blow for the poor

Budget cuts mean the Government will fail to meet its target on social housing for the needy, it was claimed. The National Housing Federation said that the number of new homes built annually would fall from 60,000 to a maximum of 45,000 by 2,000, thanks in part to a £356m Budget cut in funding for housing associations. *Michael Streeter*

## How come they got it so wrong over Europe?

Anthony Bevins on what the papers didn't say

**Major to signal UK will not join first wave of Emu**

Wrong: Yesterday's Financial Times

**MAJOR LETS CLARKE FUME**

Wrong: Yesterday's Daily Mail

Heseltine, in a lunchtime radio interview, that there would be no change in that position up to, and through, the next election campaign. Mr Major said: "That is our position."

That left frontbenchers and backbench MPs throughout the House to chew over the many conspiracy theories that may or may not lie behind Monday's initial Daily Telegraph report so

**Major plans to hold out against euro**

Wrong: Monday's Daily Telegraph

**Clarke's Euro armlock on Major**

Right: Yesterday's Independent

forthrightly repudiated by Mr Major - until the next time a Euro-sceptic newspaper repeats the same story.

Whether the report was planted by Number 10, Conservative Central Office, a rogue Cabinet Minister - or, as one Tory source said only half in jest last night, Labour campaign manager Peter Mandelson, the result was to firm up the

be known until the Amsterdam summit in June - after the next election.

In an unusual Commons statement on Monday's meeting of finance ministers, in Brussels, Mr Clarke used the same formula that ministers have applied to Northern Ireland peace talks: "Nothing is agreed until everything is agreed."

That meant that even when the whole euro package had been settled, individual countries would have an overriding right to "revisit" the deal as a whole.

Mr Heseltine and Mr Clarke said the earliest that could happen would be June. Interviewed on BBC radio's *World at One*, Mr Heseltine also said that it would defy the "national self-interest" to close off the option of joining the euro.

The agreement between the two most senior members of Mr Major's government, and the rare clarity of Mr Major's Commons answers, fuelled Tory Euro-sceptic - and Labour - suspicion that Mr Major had been bullied into submission, on pain of joint resignation. It also left some Labour leadership sources claiming that Mr Blair was now more sceptical about the Euro than the Tories.

## FO bars funeral children

Fran Abrams  
Political Correspondent

Two grieving daughters cannot come to Britain from Ghana for their mother's funeral on Friday because their family were not close enough, a foreign-office minister has ruled.

Labour's social-services spokeswoman Harriet Harman, who was Gladys Otutey's MP, made a last-minute appeal last night for a change of heart. She said it was "totally unacceptable" for decisions to be made on the basis of how fond was the relationship between mother and daughters. The Walworth Methodist Church, where Mrs Otutey sang in the choir, has also urged the minister to change his mind.

Ms Otutey's family say she telephoned her daughters and wrote to them regularly after she came here in 1990, but officials who interviewed them in Ghana concluded that their contact had been "limited". In a letter to Ms Harman, Dr Liam Fox, the under-secretary of state at the Foreign and Commonwealth Office, said that Doreen, 19, and Grace, 23, failed to convince officials in Accra that they only wanted to come to Britain for the funeral.

"The young ladies' limited contact with, and knowledge of, their mother was striking and relevant," he said. "I am in no doubt whatsoever about the importance in a close family of children being able to attend a parent's funeral. However, I must balance this against my responsibility to ensure that the immigration rules are fully upheld."

A spokeswoman for the Foreign and Commonwealth Office said there had been other reasons for the refusal. Ms Otutey, who worked as a cleaner at Waterloo Station, had been refused leave to remain in Britain in July this year just before she became ill with a brain tumour.

Ms Otutey's boyfriend, Andrew Bessley, said he would ensure the girls went home. "[They] should be here. It's wrong," he said.



Wet suit: A fireman cleans himself of asbestos after a minor fire in Parliament Street, Whitehall. Chief Secretary William Waldegrave was among 1,500 people led to safety. Photograph: John Voos

## Children to sue ministers over food poisoning

Susan Emmott

Seven children are suing the Government and other organisations after they were infected by the food poisoning bug which has now claimed the lives of six pensioners in Scotland.

Their families say the Government failed to warn the public and advise health authorities and NHS trusts about the dangers of E-coli 0157, the bacterium responsible for the food poisoning.

The children, all under the age of eight, contracted the bug in unrelated cases in different parts of England. They were yesterday granted legal aid to sue the Department of Health and the Ministry of Agriculture, Fisheries and Food.

Three of them, two from the same family in Liverpool, and one from Gateshead, will also be suing the fast food chain McDonald's and their suppliers McKay Foods Ltd. The other four, from two different families in Stoke-on-Trent, are taking action against the butchers A J Green and Sons.

Gary Thomas, father of four-year-old Rachel and seven-year-old Katie, claims his daughters picked up the bacteria after eating a McDonald's meal in Liverpool last August. "We knew nothing about E-coli, this burger bug."

Lucy Kennedy, of Howe & Co, which is representing the families, said a report by the Advisory Committee on Microbiological Safety of Food published in 1995 warned against E-coli 0157. The report recommended the labelling of beef products with information about hygiene methods in abattoirs needed to be reviewed.

In the Stoke cases, four children from two families fell ill after eating rare burgers at a family barbecue. Their parents say they were unaware of the dangers.

The family of two of the other children say they developed symptoms following a meal at a McDonald's restaurant in Liverpool.

All seven children have recovered but parents are concerned that the illness may have caused long-term damage.

The Department of Health said health professionals received advice from the royal colleges and from the Public Health Laboratory Service.

The spokesman said Government recommendations were fed through the royal colleges to the medical profession. McDonald's said last night: "We take any claims of this nature very seriously and will investigate fully as soon as details have been advised to us by the lawyers involved."

Doctors are trying to trace 20 students at the University of Wales in Cardiff who have not been given antibiotic treatment against the outbreak of meningitis that has killed two students.

No more cases of meningitis were reported in Cardiff yesterday. The results of tests on 24 students under observation are expected shortly. Three others are being treated for the disease, one was described as "critical but improving". The other two were responding well.

## Dublin pay-off scandal deepens block on naming

Alan Murdoch  
Dublin

The scandal over pay-offs to Dublin politicians deepened last night as both the Prime Minister and Speaker of the Dail urged TDs (MPs) not to name the former Fianna Fail cabinet minister who received IR£1.1m secretly from Irish supermarket chief Ben Dunne through different London bank accounts.

Sean Treacy, the Speaker, warned against naming individuals outside the chamber in a way that might prejudice official investigations. The Prime Minister, John Bruton, urged that members refer such allegations to relevant authorities to be dealt with by due process.

The cheques and 100 others to politicians, business figures, and a broadcaster are included in a report prepared for Dunnes Stores, Ireland's second largest supermarket chain, by accountants Price Waterhouse. The affair has already led to the weekend resignation of Irish transport minister Michael Lowry over 1992 payments of IR£208,000 from Mr Dunne. In last night's Dail debate on appointing former Fine Gael party leader Alan Dukes as Mr Lowry's successor, opposition parties demanded to know what if any favours Mr Dunne had received from Mr Lowry. Progressive Democrat leader Mary Harney said: "We should be told if Ben Dunne benefited finan-

cially from any decision made by Mr Lowry or by his Department."

She then asked if the Taoiseach was made aware that Mr Lowry "held a loan from Dunnes Stores after his appointment as minister." She urged Mr Bruton to publish what Mr Lowry said about his interests when he became a minister in 1994.

Earlier, Bertie Ahern, leader of Fianna Fail, said he was "totally satisfied" with assurances from each of his current front bench that none had been the recipient of the £1.1m London payments. Today he will ask for the same assurances from all members of his parliamentary party and MEPs.

## Virtual talks on Northern Ireland

David McKitterick  
Ireland Correspondent

Northern Ireland politics have just collided with virtual reality in the world of on-line communications, generating a flurry of angry messages whizzing through the ether.

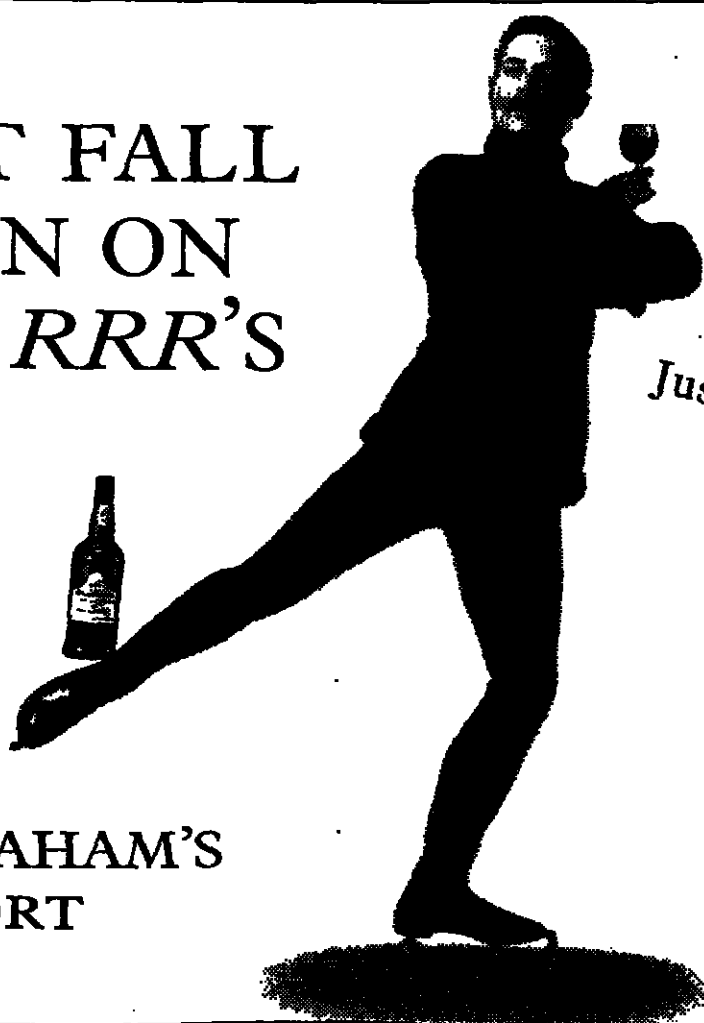
In an electronic echo of what has been happening in political talks in Belfast, members of an on-line discussion forum will this weekend discuss ways of keeping a republican sympathiser out of their proceedings. The group's moder-

ator, journalist and broadcaster Vincent Hanna, is threatening to resign if things are not sorted out. Up to 100 people may take part in Sunday night's electronic conference, which has been called on the issue of support for violence.

They will be able to vote on a motion advocating the exclusion of anyone who advocates or supports the use of violence. Mr Hanna is suggesting that participants should adopt the Mitchell principles - six affirmations of non-violence formulated by talks chairman Senator George Mitchell - as the basis for discussions.

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# 'Merry Christmas': poverty behind the presents, grim warnings, advice on bad behaviour and screen wars

## No fun for Disney's £1-a-day workers



Action Man: Uniform low pay

Barrie Clement  
Labour Editor

The makers of Barbie and Sindy dolls, Action Man and Disney toys have failed to alleviate the "poverty pay and appalling working conditions" suffered by many Asian workers, according to a Third World pressure group.

Despite a code of practice agreed by British suppliers and retailers, staff employed by some foreign factories are breathing in toxic fumes and working up to 24 hours at a stretch to meet the Christmas rush. Others have their pay docked for minor indiscretions and some

factories still employ child labour, the World Development Movement (WDM) alleges.

In a Chinese factory producing Disney toys, one 17-year-old girl earns just over £1 for an average 11-hour day, seven days a week, the movement says.

Every day Hasbro UK, makers of Sindy and Action Man, spends more on advertising than on the wages paid to 7,000 Thai toy workers.

Staff making Barbie and Disney characters in Thailand continuously lose the right to maternity, holiday or sick pay because the factory dismisses them after 119 days – a day before their entitlement to benefits

is triggered. They are immediately re-employed without their rights.

A Chinese toy worker would have to work three months to earn the £80 we spend on average on toys for one child at Christmas, says the WDM.

Jessica Woodruffe, the WDM's head of campaigns, said British toy companies require minimum standards of product quality to ensure toys were safe for children. "They could also require minimum standards to ensure factories are safe for workers."

The campaign by the WDM – which is funded by its membership, churches and aid agencies – began more than three years ago after 188

workers were killed and 469 injured in a fire at the Kader toy works in Thailand.

Some companies yesterday were commended by the organisation. Sainsbury, the Gap and B&Q were all developing monitoring systems to give safety codes "teeth", Ms Woodruffe said.

David Hawlin, director general of the British Toy and Hobby Association, said the industry was surprised by the organisation's "outrage". The association had set up a three-person complaints committee in Europe, following assertions by the movement.

Mr Hawlin said that manuals had been issued to factories in southern

China where most of the toy production took place. Factories were encouraged to comply with local laws on working hours, pay and a minimum age for employees. Health and safety seminars had been held.

He said that Hong Kong unions were behind yesterday's WDM report. Employees' leaders in the colony had lost their "power base" because toy manufacture had moved to China to take advantage of lower labour costs. Many of the workers were desperately poor and from north and west China, Mr Hawlin said. "They earn more in one month from making toys than they could earn in a year on the farm."

"They work like stinko during the peak season from March to October and they want to work hard. There are always plenty of people waiting to be re-employed."

Lee Hiac, a factory manager in Shenzhen city, gave another version to the WDM: "Those peasants are brutes. You have to whip them like donkeys to make them understand."

Chuck Champlin of Disney in California said the movement had given them few specifics. However, he said the company was adamant that manufacturers obey the law in their countries. "We will investigate any allegations of wrongdoing if provided with the details."



Barbie: No maternity rights

## Water down the festive spirit

Barrie Clement

Employers should tone down Christmas parties or learn to cope with the resulting fights, sexual harassment, vandalism and drug abuse when festivities get out of hand, according to experts in employment law.

It is no good plying the workers with free drink and then disciplining them for outlandish behaviour afterwards, according to Eversheds, the solicitors.

One couple, who virtually had sexual intercourse in front of their colleagues, won an unfair dismissal case because management had tolerated similar exhibitions in the past, said Irish Embley, an employment law specialist at Eversheds.

The classic case involved Dixons, the electrical chain, which dismissed two of its area managers in London for a "lewd act", involving simulated sex. An Employment Appeal Tribunal found that the men had been unlawfully sacked because there had been a history of "turns in bad taste" at company functions. The tribunal decided that new rules of conduct had not been properly communicated to Dixons staff prior to the party.

Ms Embley warned employers that tribunals "take a dim view" of companies encouraging staff to let their hair down and then trying to discipline them afterwards.

Employers should be particularly wary of providing free drink. Tribunals would always take such a facility into account as a mitigating circumstance when assessing whether the employee's behaviour justified dismissal.

She said that her caseload in the early months of the year tended to be dominated with the aftermath of Christmas festivities which got out of hand.

Her advice to companies was to inform staff about the kind of behaviour that was expected of them and ensure that management realised they had a duty to keep matters under control at the time.

Ms Embley who last night enjoyed her own firm's Christmas party, said: "It is perfectly all right for people to get a bit silly and a bit tiddy, but matters should not be allowed to go to far."



Photograph: Brian Harris

Party season: "It is perfectly all right for people to get a bit silly and a bit tiddy, but matters should not be allowed to go to far"

## Adverts target young drivers' vanity

Michael Streeter

The Government yesterday targeted the guilt and vanity of young people in its new Christmas campaign against drink-driving.

The message, more subtle than in recent years, features a television advertisement in which an actress portrays a young woman badly scarred in an accident the year before by her drink-driving boyfriend. The woman, played by Isobel Raine, is looking into a mirror and taking off her make-up after a night out with her boyfriend. "Anyway, we're still together, although sometimes I think he's only with me because I feel guilty," she says. "Then again, I

wonder if I'm only with him because I'm scared I won't get anyone else."

Under fire from critics who claim that the number of drink-related accidents have stopped falling, Road Safety Minister John Bawls said yesterday they were following research in tackling the main group of offenders – young men aged 17 to 24.

Mr Bawls said that young males seemed less concerned whether they killed themselves in an accident. "The research indicates that what does affect them is the thought that they may maim or scar someone else – for example a girlfriend... The woman featured in our campaign has the everlasting reminder of the dangers of drinking and driving."

Ms Raine who wore make-up depicting a heavily scarred forehead and cheek, said that in a "vain" society, the prospect of facial disfigurement played heavily on young people's lives. "It brings home the point that scars are not just for Christmas – they are for life."

The launch of the £1.2m poster and television campaign – at the Metropolitan Police Training Centre in Hendon, north-west London – included a mock road accident handled by fire and ambulancemen, watched by cast members of BBC Television's *Casualty* programme.

A parallel radio campaign will use the curio "Silent Night" as reports of drink-drive accidents are relayed.

The concern for the Government is that despite the success of last year's award-winning campaign – featuring a brain-damaged youth who had been egged on by his mates to have "one more" – the number of drink-related road deaths appears to have levelled out. Last year, the number of deaths was 580, dramatically down from the 1985 number of 1,040, but 40 more than in 1994.

Proclaiming the success of campaigns over 20 years, Mr Bawls said: "The vast majority of drivers over the years have been persuaded by the Government's... messages. We still, however, need to persuade the minority who cause such unnecessary suffering."

Edmund King, RAC head of campaigns said: "After 10 years of decline the drink-drive accident figures have started to plateau. It is essential that we continue with these hard-hitting campaigns and that the police target the hard core of persistent offenders."

Labour's transport spokeswoman Glenda Jackson welcomed the new campaign but re-affirmed the party's view that it would seek to lower the alcohol limit for drivers from 80 mgs to 50mgs per 100ml of blood, in line with many other European countries.

Mr Bowls said the level was always under review but did not want to have that debate deflecting from the Christmas campaign.

## The BBC unveils a TV dinosaur

Marianne Macdonald  
Media Correspondent

An in-depth study of England's Euro 96 campaign, revealing that the defender Gareth Southgate did not practice penalty kicks before the crucial game against Germany, leads the BBC's Christmas schedule.

When *Football Came Home*, to be shown on 23 December, will be followed by *Jurassic Park* from the Hollywood director Steven Spielberg as the Christmas Day blockbuster film to be screened at 7pm – competing with *The Remains of the Day* on ITV, starring Sir Anthony Hopkins and Emma Thompson.

*Jurassic Park* is a part of an estimated £5m deal which includes a screening of *Schindler's List* next year. It emerged yesterday. The BBC's Christmas lineup will also feature the comedian David Jason in a three-part mini series of *Only Fools and Horses* and Dawn French in *The Vicar of Dibley*. The festive fortnight contains almost 200 hours of BBC-originated material, with 37 drama and entertainment specials (including a new adaptation of George Eliot's dark classic *The Mill on the Floss*) and 12 network television film premieres.

Scheduled are *The Firm*, adapted from John Grisham's novel and starring Tom Cruise as a lawyer desperate to escape his new employers; the whale movie *Free Willy: Chasing the Whale*, starring Sylvester Stallone; and *Shadows*, with Sir Anthony Hopkins playing the writer CS Lewis. Richard Gere and Jodie Foster star in *Somewhere*, Hollywood's American civil war version of the Martin Guerre story, and Woody Allen's *Manhattan Murder Mystery* and *Glenn Ransome* starring Al Pacino and Jack Lemmon will be on BBC2.

On Christmas Day there will be an *EastEnders* special, the annual round-up of *Top of the Pops*, an *Animal Hospital* special presented by Rolf Harris and, of course, the Queen's Christmas Message at 3pm.

But Christmas is a key battle area for broadcasters. Michael Jackson, the controller of BBC1, warned: "We will tinker with the schedule right up until the last minute. We want to make sure we have the best programme combination."

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# High-profile contenders eye Scott seat

FRAN ABRAMS  
Political Correspondent

The hunt for a replacement for deposed Conservative MP Sir Nicholas Scott will begin today, sources in the former minister's Kensington and Chelsea constituency said last night.

Notices will go out to begin the selection process for a new MP to represent the area after the general election, when Sir Nicholas will stand down. There are likely to be a number of high-profile contenders for the seat, which is one of the safest in the country.

Party members refused to back Sir Nicholas's continued candidature on Monday night. The move to deselect him came after he was found lying face-down on the pavement after a drinks reception. Although he pleaded that a moderate amount of wine had reacted with medication he was taking, many people felt the incident was the last straw. It followed a drink-driving conviction earlier this year.

Sir Nicholas told a packed meeting at Kensington Town Hall that he had given up drink completely, but he was defeated by 509 votes to 439.

Yesterday Andrew Dalton, constituency chairman, said a new candidate for the seat would be selected before the end of January. "We are wasting no time at all," he said.

Mr Dalton said the 130-strong executive council of the association would meet next week to set up a timetable for the selection process, and the post would then be advertised to people on the Conservative

Party's approved list of candidates. The final stage would be a meeting at which a minimum of four contenders would address party members, and at which a ballot would be held.

Mr Dalton, who denied rumours that he was planning to stand for the seat himself, said the move to unseat Sir Nicholas was unconnected with his reputation as a "wet". He also described as "nonsense" the suggestion that the seat was being kept warm for the return of Chris Patten, currently governor of Hong Kong.

"I don't think that Nick was deselected because of anything political. There was a feeling that he was becoming accident-prone, and he had indicated that he was only going to stand for one more parliament," he said.

Among those whose names were being mentioned as possible successors last night was the Northern Ireland minister, Sir John Wheeler, whose Westminster North constituency has been affected by boundary changes. Sir John's office said last night that he was not commenting on the rumours.

Other possible runners could include Hartley Booth, the MP who succeeded Margaret Thatcher in Finchley and who has also been hit by boundary changes. Terry Dicks, MP for Hayes and Harlington, who has a majority of just 53, and Alan Clark.

Last night Mr Dicks confirmed that he was thinking of standing, although few commentators believe he will be selected.

"Of course I am interested and yes I will apply. Then we will allow the selection committee to make their choice," he said.



Community care: MP Ken Livingstone talks to Rachel Goldberg, who is supported by Norwood Ravenswood, the new £17m Jewish learning-disability charity Photograph: David Rose

Party's health spokesman says he wants 'joint consent' as he outlines proposals for the NHS

## Labour set to scrap fundholding

Colin Brown  
Chief Political Correspondent

GP fundholding could be scrapped within "two to three years" of Labour taking office, Chris Smith, the shadow health secretary, said yesterday in the clearest statement so far of Labour's plans for the NHS.

Fundholding GPs, the Prime Minister and Stephen Dorrell, the Health Secretary, attacked the plans, which mark a shift from outright abolition of fundholding threatened by Labour in the past.

Mr Smith told the *Independent* in an exclusive interview that he wanted to proceed "by consent" in replacing GP fundholding with "joint commissioning", in which groups of family doctors would be expected to act together in plan-

ning services for their area. He made a distinction between single-handed GP fundholders, who would be told to join commissioning GPs, and fundholding groups who may be allowed to continue. "That is one of the reasons why it is important to try to take people with us. It is going to be evolution rather than revolution."

Mr Smith said there were circumstances in which fundholding could be allowed to continue, if it was with the agreement of the other GPs in the area. "Ultimately, if we had a number of GP contractors saying we are not going to go in with these locality groupings, we might have to say, 'Sorry, you have to'. And there is provision if you have everyone else in a partnership who agrees and it is within the guidelines of the locality group for you to con-

tinue."

Mr Smith will seek to introduce an NHS Bill within the first year of a Labour government to change the present framework of 100 health authorities, possibly reducing their numbers, and turning them into more strategic bodies with responsibility for promoting public health and monitoring performance of GP commissioning groups. But he disclosed that he envisages using the Government's own NHS Primary Care, which received a second reading in the Lords last night, to introduce pilot schemes for joint commissioning before the gradual change took place.

In a speech setting out his plans, Mr Smith told a London conference: "Our plans for GP commissioning would eliminate the two-tier system which GP fundholding has created and

which has led to many hospitals imposing longer waits for treatment for the patients of non-fundholders."

Local commissioning groups should also be properly accountable to local voices so that the views of patients and residents were taken into account."

Mr Smith yesterday committed Labour to matching the Tory's election pledge to spend an extra £1.6bn on the NHS next year, if Labour win the general election. He refused to meet the Tory pledge to spend more in real terms every year over the lifetime of the next Parliament, under the tight spending constraints enforced by Gordon Brown, the shadow chancellor.

Mr Dorrell claimed that if Labour won the election, more than 50 per cent of family doctors who had chosen to manage their own budgets would have

these budgets stripped from them. "They will be shackled - many against their will - into a form of chain-gang committee-based commissioning."

Mr Dorrell said there was a raft of unanswered questions following Mr Smith's speech.

He said it was unclear whether commissioning groups would be allowed to retain any budget savings and what incentive there would be for better purchasing.

Clive Parr, of the National Association of Fundholding Practices, warned there would be resistance from GP fundholders.

"A recent poll of fundholders showed quite clearly that the vast majority of fundholders oppose the concept of commissioning groups," he said.

Dr Judy Gilley, joint deputy chairman of the BMA general

medical services committee, said: "We would wish to see the evolution to local commissioning groups is voluntary, piloted and protects the best interests of fundholding practices as well as non-fundholding practices."

Labour's plans to reform the internal market include:

- Longer-term agreements of three to five years, to replace the annual contracting round.
- An end to individual patient invoicing and extra-contractual referrals procedures.
- The disappearance of many management tasks from GP practice level, health authority level and hospitals.
- Consideration of a reduction in the number of health authorities.
- A reduction to one-tenth of the present number of agreements and contracts in the health service.

### PRIME MINISTER'S QUESTIONS SCORING THE EXCHANGES

**John Major** 9/10  
Major was disarmingly frank and to the point. It is right to give the Prime Minister credit for such a clear reply. He has shown a willingness to answer questions, his candour was refreshing.

**Tony Blair** 3/10  
If he wanted Major to offer a hostage to fortune, then Blair got what he wanted. But it seems more likely he wanted Major to ingratiate himself with the public. Blair had no third question.

**THEMES OF THE DAY**

- Labour's plans for GP fundholding (Peter Butler, C. NE Milton Keynes)
- Direct taxation as a proportion of average incomes (Clive Betts, Lab. Sheffield, Attercliffe)
- Council tax levels (John Marshall, C. Hendon S)
- Taxation on the poor (Andrew McKinley, Lab. Tinsbrook)

**BLAIR'S ATTACK**

Not so much an attack - more a couple of issues Blair wanted clearing up, he asked Major to confirm that the refusal to rule out joining the single currency in the next Parliament remained unequivocally the position of the government. "That remains unequivocally the position of the government," replied Major. Blair set still for a couple of moments before rising to ask whether Major agreed with Michael Heseltine's pledge given on the radio several hours before, that the position would not change. The reply: "My Rt Hon Friend said that: that is our position." Blair had no third question.

**GOOD DAY** **BAD DAY**

**Clive Betts** - Said Commons library figures showed that direct taxes paid by an average family have risen not just in real terms, but also in proportion to average earnings. Major replied that the figures were distorted by people moving up the tax bands, and that "they are £1,100 better off next year than before the last election."

**Cynog Dafis** (PC, Ceredigion and Pembrokeshire) who was shown the yellow card for applauding a public gallery protest against arms sales to Indonesia.

**THE QUIP OF THE DAY**

Edward O'Hara (Lab. Knowsley S) who asked if Major would confirm "that in order to qualify for all the 25 pence tax, a taxpayer must have a small company, drive a vintage car, and be dead?"

**THE UNANSWERED QUESTION**

What was Blair up to? Or David Smeeth (C. Bury S) asked, as it was the Bury and Bolton Chamber of Commerce's Christmas lunch on Friday, would Major send them congratulations for their economic success over the past year, "and best wishes for a new year of greater prosperity under a new Conservative government?" Major, to his credit, neglected to answer.

**THE CREEP OF THE DAY**

Dr Robert Spink (C. Castle Point) "On the day in which the Palace is graced with the presence of the forces' sweetheart Dame Vera Lynn, would my Rt Hon Friend send a message of goodwill to every one in the armed forces who will be serving over Christmas?"

Compiled by Ben Summers

## GPs offer hospital cash from funds

Louise Jury

Fundholding GPs in a health authority forced to halt heart operations because of a cash crisis have millions of pounds of savings, *The Independent* has learned.

GPs in Oxfordshire are expected to be able to carry a £3.1m surplus from last year into next - while Oxfordshire Health Authority predicts a £3.1m deficit for the financial year.

The authority's problems have forced the John Radcliffe Hospital in Oxford to stop all non-urgent cardiac surgery this month except in cases where GP fundholders are guaranteeing payment. It has asked fundholders whether they will hand over some of their spare cash to help and a donation of £200,000 has been agreed.

Dr Sian Griffiths, the authority's director of public health and health policy, and Nick Relf, the finance director, said the situation highlighted "nonsense" in the fundholding rules which unfairly favoured fundholders.

Unlike health authorities, fundholders are allowed to carry savings through to the next

financial year. They also carry less financial risk as they are not responsible for emergency provision, which has seen a major increase in recent years, or services for patients, including mentally disordered offenders.

Dr Griffiths said: "It's not the fundholders' problem that the system is so not hit fundholders in the same way."

Nick Relf said the problem was potentially even greater

next year as the authority, which holds the money for the fundholders, has already spent last year's £3.1m GP savings because it suffered a £3m deficit last year too.

Mr Relf said: "Any health authority that has had significant savings by fundholders has done the same thing. It is certainly true of Berkshire and Buckinghamshire. We're all wondering how we will pay it back."

Dr Evan Harris, a doctor in

Oxford and prospective Liberal Democrat party candidate, said: "This means that the service you get as a patient depends on the funding mechanism of your doctor. It's unfair and it runs contrary to clinical need."

And Chris Smith, Labour's health spokesman, said: "People are quite rightly angry that all over the country GP fundholders are making surpluses while health authorities and hospitals are going into the

red. This is another reason why we are going to replace fundholding with a more equitable system of GP commissioning."

The cash crisis in Oxfordshire comes as evidence of the funding shortfall emerges across the country as predicted by doctors and health service managers last month.

Fazakerley Hospital in Liverpool has postponed all non-urgent operations after 14 patients had to spend the night

in casualty because of a beds shortage last month.

The Queens Medical Centre in Nottingham has suspended routine operations for the whole of November and December - an estimated 350 operations. "They are not cancelled completely, but if we carried on we would completely run out of money," a spokesman said.

The Royal Devon and Exeter NHS Trust banned non-urgent elective surgery in August and will be performing no more until the start of the next financial year. A 10 per cent increase in emergency would have meant an additional £600,000 bill for the North and East Devon Health Authority, its major purchaser. "They did not have the money, so they requested we stopped all but emergency work," a spokeswoman said.

In the Southampton University Hospitals NHS Trust, some cardiac surgery has been put off because there was no money to pay for it. And the United Bristol Healthcare Trust has slowed down the rate of its routine surgery, extending waiting lists to a maximum 18 months, to help limit its projected £500,000 deficit.

## Hospital's wish list draws flack

James Cusick

The wedding list, long the domain of fashionable couples seeking useful gifts as opposed to 20 toasters, has been adopted by an NHS Trust hospital. The League of Friends of Barnet Hospital in north London has issued a medical "shopping list" for the public in its "Make a Million" campaign.

Where the wedding list might concentrate on decent china or cutlery, the Barnet shopping list is asking the public to raise cash and buy every-

thing from basic stethoscopes to expensive ultra-sound scanning machines identified on the medical gift list.

Geoff Martin, campaign director of the London Health Emergency lobbying group, criticised the shopping list appeal yesterday, stating: "At a time when the Government are telling us that they are pumping funds into the NHS we've got a prestigious new hospital begging the public to stump up cash for basic medical equipment." Mr Martin also claims that the "shopping list" equip-

ment will eventually become the property of the private consortium who ultimately are accountable to shareholders.

Sue Macellan, operations director of the Wellhouse Trust, denies the public are being conned. "The equipment that is donated to the trust - and there is clear evidence that people have a need to give - will remain the property of the trust." She said that the trust would eventually face a lease bill for the new hospital and for equipment. "Essentially the more equipment we own, the

less will be our bill from the consortium."

However, she said if the consortium did take over the ownership of all of Barnet Hospital, it would become responsible for the maintenance of all equipment and its replacement.

The LHE appears less than impressed. Mr Martin added: "This whole sordid exercise underlines the underfunding of the NHS. How long before hospitals start asking the general public to sponsor the cost of bed pans?"

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## news

Official papers reveal reveal picture of selfish and indiscreet man who embarrassed Britain



The Duke of Windsor inspecting a German military training school at Grossensee

## Duke who just could not be beastly to the Nazis



The duke and duchess meeting Adolf Hitler in 1937

Photographs: Hulton Getty

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John Crossland

The 1945 Labour government desperately tried to conceal evidence of the Duke of Windsor's ambivalent attitude towards Germany during the early part of the Second World War, according to official papers released yesterday.

A top-secret file from the private papers of Ernest Bevin, Foreign Secretary, which had been ordered to remain closed for a century, was opened at the Public Record Office in Kew.

German diplomatic papers found at Schloss Marburg by the American occupiers in May 1945 had showed up the duke's ambivalent attitudes to a continuation of the war - sympathies which had encouraged the SS to launch "Operation Willi", with a view to luring him on to Spanish territory, where he would have been kidnapped.

Other private papers relating to the duke's peace-feelers are believed to have been secreted from the home of the Royal Family's German cousins at Schloss Coburg by the spy Anthony Blunt. (They may surface after the clearing set for release of the abdication papers.)

A dramatic personal testament to the duke's indiscretions was revealed yesterday in a minute sent to the Foreign Office via the Lisbon embassy in April 1943. A count Nava de Tajo, described as "an agreeable young Spaniard" who was formerly an employee of the League of Nations, had told an embassy official that the duke had "expected the British Cabinet to resign in the near future and expected to see the creation of a Labour government which would enter into negotiations with Germany. He expected also that King George VI would abdicate, following a virtual revolution brought about by the fact that the ruling classes had utterly disgraced themselves and that he the Duke of Windsor would be summoned to return to England to occupy the throne."

De Tajo continued: "HRH also spoke of how England would become the leader of a coalition consisting of France, Spain and Portugal while Germany would be free to march against Russia."

The report went on: "HRH said at dinner, I was got rid of by the Tories, and expressed himself with some force about the present Queen of England [the Queen Mother] whom he termed 'an ambitious woman'."

In a plea to Clement Attlee, the Prime Minister, to have the Windsor file exempted from the release of German war-time documents, Bevin urged the objective "to try to persuade United States government to co-operate with us in suppressing the documents concerned. They would possess the highest publicity value on account of the personalities involved and the types of intrigues described. Any disclosure would in my

opinion do grave harm to the national interest."

Bevin said that a diplomatic initiative with the American occupation authorities was not enough. "We should go the lengths of asking the US government whether it would be willing that the file should be destroyed or at least handed over to us for safe-keeping."

The American State Department, through Britain's ambassador to Washington, Lord Halifax, put Bevin in his place. "It appreciates the reasons which prompt the British government to wish to restrict circulation of certain documents but it cannot discount the importance to the history of the war of the German manoeuvres for a negotiated peace at that time. It would be unlawful for the secretary of state to authorise delivery of them to the British government."

Judge Jackson, the American prosecutor at the Nuremberg trials did, however, go along with a cover-up by promising not to raise the Windsor issue at the hearings.

The papers show that

Churchill made overtures to find the duke a role as an ex-officio diplomat, a plan crushed by Bevin after an interview with the king. Attlee was told on 13 October, 1945 that the king asked Bevin about the possibility of the Duke of Windsor being made ambassador to Washington. Bevin replied that he didn't think "HRH should be given such employment". "The king", said the memo, "expressed satisfaction with the arrangement."

Archibald Clark-Kerr, who was given the appointment, was told bluntly: "this is to warn you in case HRH approaches you on the matter [of an appointment]. He should be given no encouragement." Clark-Kerr was told to burn the telegram.

The pattern of the duke's future life, with its extravagance and peripateticism, emerged as soon as Germany surrendered and the concern it caused a Labour government presiding over an austerity programme is vividly caught. The Treasury asked the Cabinet for approval for an overdraft of £5,000 which the duke had asked to be forwarded to his Paris account at Lloyds Bank.

Piers Dixon, senior diplomat at the Foreign Office, minuted: "The Treasury explain that there is no exchange problem involved but they naturally feel hesitation about the large sums of money being made available to the duke in France when ordinary British subjects there are severely restricted. It is reasonable I think that the duke and duchess should have ample facilities than an ordinary British subject. It is really a question of degree. If they now proceed to live on an extravagant scale, going in for large scale entertaining and spending large sums on the decoration of their house, there is bound to be criticism..."



Winston Churchill: Tries to find the Duke a role

## Officer shot unarmed suspect

Jason Bennetto  
Crime Correspondent

An armed policeman shot and fatally wounded an unarmed suspected car thief in a busy street, a court heard yesterday.

The case is believed to be the first time a police officer has been charged with murder for an offence allegedly committed while on duty.

PC Patrick Hodgson, 49, shot David Ewin, 38, twice in the arm and stomach with a handgun, in what a fellow police officer believed was not an armed incident, a jury at the Old Bailey

was told. PC Hodgson has denied murdering Mr Ewin, who died two weeks later in hospital from internal injuries.

After the shooting PC Hodgson kept repeating "Why didn't he do as he was told?" and that he had no choice, said John Bevan, prosecuting. But, the prosecution told the jury: "If shooting Ewin was the only option, it is tantamount to saying that any car thief, driving recklessly, may reasonably be shot by a police officer."

PC Hodgson was part of a three-person crew of a Metropolitan Police armed response

vehicle that had spotted a reportedly stolen car in Barnes, south-west London, in February last year. Mr Ewin ran out of a shop when the police arrived and got into the stolen Toyota.

PC Hodgson and his colleague PC Patrick Kelly had got out of their vehicle. The court heard that PC Hodgson managed to grab Mr Ewin round the neck through the open car window. There was a brief struggle PC Hodgson was in danger of being squashed between two cars and he began smashing his gun against the windscreen and shouting "armed police" before

jumping clear and going around to the passenger side of the car.

"PC Hodgson took up a crouched stance at the passenger door pointing his gun at Ewin. PC Kelly described himself as... confused and shocked because at no time did he regard what was happening as an armed incident," said Mr Bevan.

Two shots were then fired. PC Hodgson said he shot Mr Ewin because he feared for his own life and civilians. But, Mr Bevan said, PC Hodgson and members of the public were not in danger from Ewin. The case continues.

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# New hope for breast cancer sufferers

Glenda Cooper

Muscle and skin from a woman's back can now be used to correct breast disfigurement after surgery for cancer, doctors heard yesterday.

Speaking at the British Association of Plastic Surgeons' winter meeting, Mrs CC Koo, until recently a senior registrar in plastic surgery at Stoke Mandeville Hospital, Aylesbury, said that "very high rates" of patient satisfaction were reported after using this method.

The trend in the treatment of breast cancer, the most common malignancy in women, has shifted from mastectomy (removal of the entire breast) to breast conservation surgery (removal of only the diseased area).

However, as this treatment has gained popularity it has now been realised that the disfigurement which it can cause can be more upsetting than a mastectomy.

The treatment which has been pioneered at Stoke Mandeville, involves using muscle and skin from the woman's back, the *latissimus dorsi* myocutaneous flap. This muscle is hardly used at all "unless you are a champion climber," said Mrs Koo. After the diseased area has been removed, the muscle is used to reconstruct the affected breast so that it appears symmetrical to the other.

The operation, which is car-

ried out by a plastic surgeon and a breast surgeon, takes two hours on average and the patient will usually have to stay in hospital for a week afterwards. This compares with a complete mastectomy which takes four to six hours and with a patient staying in for two weeks on average.

Each year in the UK there are 35,000 new cases of breast cancer and 15,000 deaths per year. A woman has a one in twelve chance of developing breast cancer in her lifetime. Mrs Koo estimated that this procedure would be suitable for 80 per cent of women with breast tumours.

At Stoke Mandeville, this procedure has been tried on 40 patients so far, with high rates of patient satisfaction. The women were aged 50 on average, and were in hospital for about a week. Of those who were suitable for the treatment, 60 per cent agreed to try it.

Complications were minimal. A few patients had fluid collecting in their backs, which was easily removed, and two had minor wound infections. In all cases the tumour was completely removed. "Since 1994 our experience with the first 40 cases has shown this method to be a simple yet effective way of treating the increasing number of women presenting with early breast cancer. The most important result is the high patient satisfaction rate," said Mrs Koo.

## Archbishop meets Pope in Vatican

Andrew Brown  
Religious Affairs Correspondent

Rome — The Archbishop of Canterbury, Dr George Carey, arrived in Rome yesterday for three days of talks with the Vatican. The discussions will be "very tough and interesting" according to one of the Archbishop's party, but no one expects them to lead to a breakthrough.

Since the Church of England began ordaining female priests in 1994, it has been obvious that both sides have abandoned hope of formal union. The hostility over this issue was recently underlined when Cecilia Monge, a former Roman Catholic, was ordained in the Anglican Church in Rome where Dr Carey

preached last night after his first meeting with the Pope. Substantive talks between the two leaders will be held tomorrow.

"Even in our sad separation, Anglicans and Catholics have not ceased to be brothers and sisters in the one Lord," Pope John Paul II said yesterday, greeting Dr Carey in his library. It was a mark of the Pope's decreasing vigour that the formal ceremony was held in the recesses of the Vatican rather than anywhere slightly more public.

Dr Carey told the Pope: "We cannot undo overnight doctrinal differences and the bitterness that have resulted from the legacy of history. But we are able to confront them as fellow Christians."

### BREAD

A genetically modified yeast has been licensed for sale in Britain, but has not yet been used in bread making.

### BACON AND SAUSAGE

A genetically modified pig has been reared in the USA with a gene for human growth hormone stitched into its DNA. The hope was that it would produce much more lean pork per pig. But the unfortunate pigs suffered a range of ailments because their bodies could not cope with the extra muscle, including arthritis and lethargy. Their meat has not been marketed. Processed ham and bacon contain extracts; genetically engineered beans are now being grown and sold.

### TOMATO

In America, a genetically modified 'flavour-saver' tomato has been marketed. It stays ripe for longer before it starts to rot.

### EGG

Biotechnology companies are exploring the prospects for a chicken genetically engineered to be featherless and nude. The theory is that it would then be able to invest more of its metabolic energy in producing meat or eggs.

### Other common foods where genetically modified organisms are being exploited:

THE COOKING OILS this fry-up has been fried in could, very soon, be made in Britain from genetically modified soya and maize. SUGAR: A sugar beet which has been genetically engineered to be resistant to weed-killers is undergoing trial growing in Britain. A 'vegetarian CHEESE' has been marketed whose manufacture relies on the use of an enzyme made by genetically modified yeast.

## The great British engineered breakfast

Nicholas Schoon  
Environment Correspondent

In the early 1970s, scientists discovered how to move the hereditary material DNA from one micro-organism into another, unrelated one. It was one of the greatest scientific breakthroughs because it meant that one lifeform could be suddenly given an ability or property quite foreign to its nature.

Now, around a quarter of a century later, the traditional English breakfast pictured above is the product of genetic engineering. All the food in the fry-up has been influenced in some way by developing techniques for stitching genes from one organism to another. From the early days, scientists were aware that there were unknown but potentially grave dangers in what they were doing. Micro-organisms — bacteria and viruses — are, after all, the types of life which do mankind most harm, causing lethal and debilitating diseases.

The possibility existed that one with alien genes in its DNA could make some breakthrough in its ability to harm people. Geneticists were naturally concerned because, working in their laboratories to create the new lifeforms, they would be first in the firing line.

But after much debate, they mostly persuaded themselves that the new techniques could be used safely, and a host of research and development companies sprang up in developed countries, especially the USA.

Now, in the Nineties, genetically modified organisms (GMOs) are starting to come to market in ways which touch all of our lives — yet most of us know next to nothing about them. To date there has been

only one product on the shelves of a couple of British supermarket chains — cans of tomato puree made from a GMO tomato and sold by Safeway and Sainsbury. It has genes in it which allow the tomato to ripen on the vine, which in turn makes it cheaper to process. The savings are passed on to customers in a lower price.

But all that is about to change, because the British

government and the European Union has licensed the use, in food, of genetically modified soya beans. The first consignment from the United States, the world's great soya bean grower, arrived in Liverpool at the end of last week.

Greenpeace attempted to prevent the cargo ship carrying it from unloading, but its activists who clambered on to cranes and stayed up them

overnight were eventually arrested and charged with aggravated trespass.

Soya, a protein-packed vegetable, is found in about 60 per cent of processed foods — oils, spreads, cakes and biscuits, snacks, frozen desserts and even ham and bacon. Soya extract is put in the brine injected into the meats, which makes them draw in water and increase in bulk. Its arrival presented a real

problem for the supermarket chains — several of which had promised customers that any GMO products would be labelled as such. For one thing, such labels would suddenly appear like a rash. For another, the soya beans which have now crossed the Atlantic are a mixture. The great bulk of them are conventional. But 2 per cent are genetically modified.

The exporters argued that it

would be impracticable to keep the modified beans separate. But it put the supermarkets and the firms which manufacture their food in a "like-it-or-lump-it" position, with no option to ask for GMO-free soya beans.

In Britain, the food industry has chosen to lump it, but in Germany — where concern about the issue runs high — Unilever has promised it will not use GMO soya.

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## news

# Co Durham's Corbusier seeks to heal rift over troubled bridge

Nigel Burnham

On the eve of his 88th birthday, the artist and sculptor Victor Pasmore has broken his silence over the fate of a concrete folly proclaimed by English Heritage as "an internationally important masterpiece", but derided by local people as "a slimy old bridge" that should be demolished.

The Apollo Pavilion in Peterlee, County Durham, was conceived by Pasmore, a major figure of the post-war British avant garde, as "an architectural and sculpture of purely abstract form through which to walk, in which to linger and on which to play".

Built in 1963, it was the artist's post-modernist contribution to Peterlee, Durham's only new town where, eight years earlier, Pasmore had been appointed consulting director of urban design.

The "Corbusier of County Durham", then Master of Painting at Durham University, wanted to bring some cheer to the lives of the miners relocating from grimy pit villages. But to residents of the Sunny Blunts housing estate, which Pasmore also helped to plan and design, the pavilion and the polluted pond it spans has brought only hostility and misery as a target for vandalism and a meeting place for glue-sniffers and teenage courting couples.

Easington District Council feels the same way. It is objecting to English Heritage's de-



Concrete bungle? The Apollo Pavilion - both loved and loathed Photographs: North News

cision to recommend to Virginia Bottomley, the Secretary of State for National Heritage, that the sculpture should be listed Grade II\*, taking the view that the pavilion has no architectural or historical merit to warrant preservation. It has asked the Government's Conservation Agency to abandon its plans to list the sculpture and assist instead in its demolition.

Joan Maslin, a district councillor who represents Sunny Blunts, is the pavilion's fiercest critic, having campaigned for 14 years for its removal. It is her fight to have his pavilion demolished which has prompted Pasmore to defend his work for

the first time since 1982 when, on a visit to Peterlee, he said the vandalism had humanised his work, demonstrating its acceptance by the community.

In a letter to Mrs Maslin, written from his retirement home in Malta and prompted by an article in *The Independent* in September, Pasmore explains that the pavilion, together with the lake, were designed to form a "non-utilitarian" centre for the Sunny Blunts housing estate.

"One of the main problems of urban design," he writes, "seemed to me that there is no emotional centre like that provided by the Church in the past by its cathedrals. When [it

was] decided to turn the stream running through Sunny Blunts into a lake I thought if its existence was emphasised by a large sculpture it might function as a purely visual centre. This led to the idea of a pavilion ...

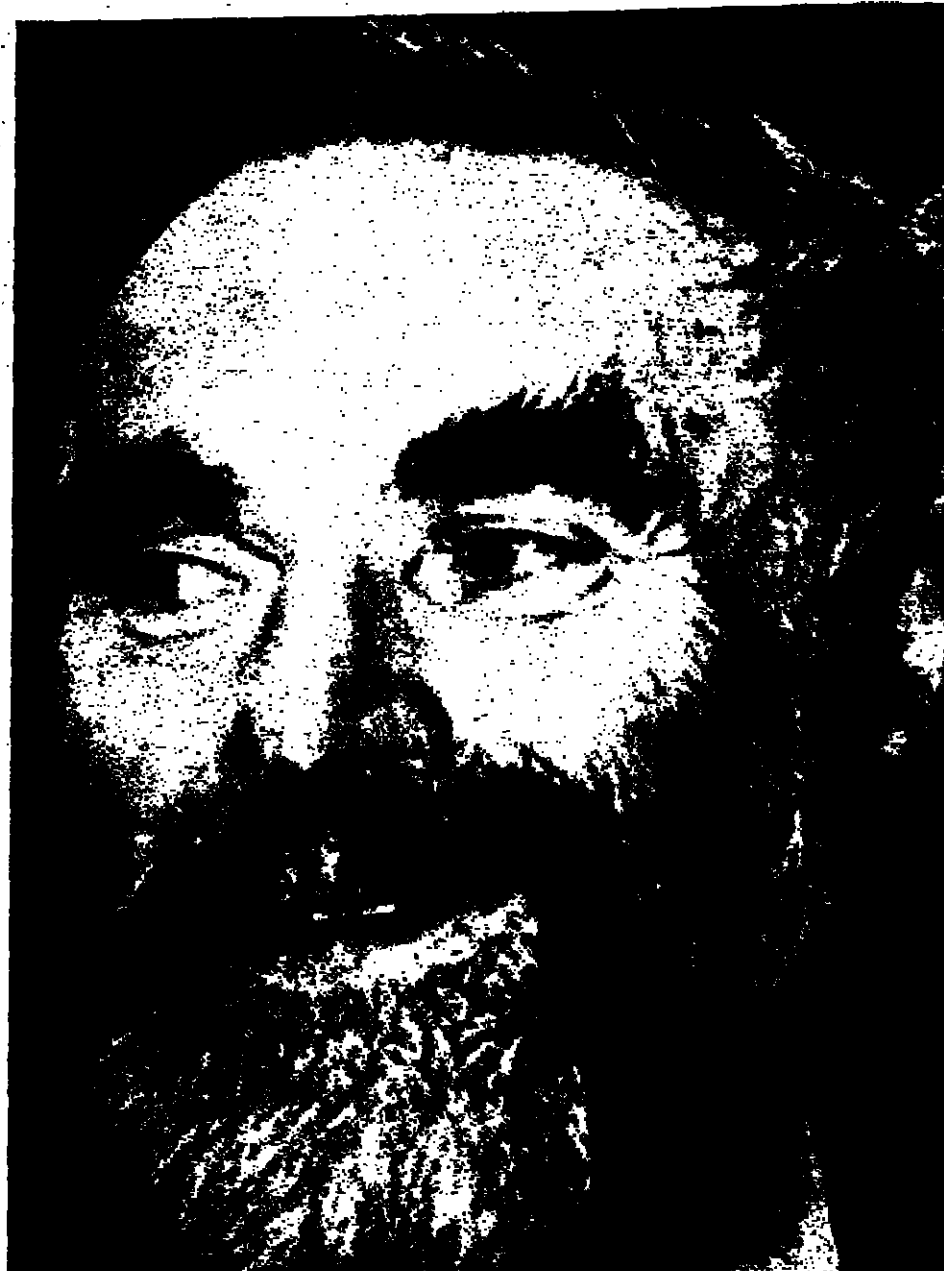
"At that time the maintenance of the building was undertaken by the corporation itself so that it served as a kind of centre very well. But the trouble started when children and hooligans began to scribble over the interior walls upstairs with words and images, some of which were obscene. Naturally, this infuriated the residents living around and of course the local council ... I apologise for my

design being distasteful to you: but I had to do something modern. To have put up an imitation Greek temple, a Gothic church or a Georgian mansion would have produced equally strong objections from a different source. I hope, therefore, you will have another look at the pavilion!"

Although flattered to have received Pasmore's letter, Mrs Maslin remains unmoved. "The reason why the sculpture was put here in the first place doesn't mean anything to the people - most of whom are pensioners - who live here. It is all very well these famous artists and architects designing things and getting a fat fee, but it's ordinary people who have to live with the consequences of the desolation they create."

"All people here think of the pavilion is that it is a heap of dirty, slimy concrete covered in graffiti which youths climb up to have sex on, and from which to urinate on passers-by. It should be destroyed and forgotten about, not preserved."

Blain Harwood, an English Heritage historian, could not be contacted yesterday, but recently insisted that the sculpture was a national treasure which needed to be restored and properly managed and maintained. "It's an absolutely unique work of considerable international importance," she said. "It was an extraordinary thing to put up in the heart of a new town. There isn't another piece of public sculpture like it anywhere in the country."



Victor Pasmore: 'An imitation Greek temple would have produced equally strong objections'

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## Jail warning for stalker who terrorised woman

An obsessive stalker was warned by a judge yesterday that he faces a "substantial" jail sentence after being found guilty of waging a four-year campaign which left his victim in fear of her life.

Peter Smith, 51, a restaurateur of West Wickham, Kent, once sent the woman a miniature cardboard coffin and on other occasions sent her offensive presents and literature through the post. The father-of-three's relentless pursuit of the terrified woman, on no less than 300 occasions, left her emotionally scarred for life.

Her trauma was so severe it amounted to actual bodily harm, the jury at Knightsbridge Crown Court decided. But it cleared him of a more serious charge alleging grievous bodily harm as well as a second count of causing actual bodily harm relating to an allegation that he drove his car at her.

Remanding Smith in custody for social and psychiatric reports, Judge Richard Walker,

said: "You face a substantial prison sentence unless it becomes apparent to me that it is appropriate that your case should be disposed of under the Mental Health Act."

He added that having seen the way he conducted himself in the witness box, it seemed there were grounds for having "concern" about his future behaviour. As a result the judge thought it would be a good idea if his eventual sentencing remarks were used for granting a "permanent injunction" banning him from ever contacting his victim again after his release.

Smith's campaign of "intimidating, calculated and cruel behaviour" started in September 1992. The 48-year-old mother of two told the jury it began with repeated calls to both her London home and office.

For a while his behaviour was little more than annoying. But things took a more serious turn when he posted her a toy-sized coffin together with a box of matches and a note which read:

"Burn this, you bitch. RIP." He also started lying in wait for the woman outside her place of work. Sometimes he would content himself with a glare, but on others he would block her path and threaten her.

Throughout, he was bombarding her with letters which would one day declare his undying love, and on others refer to her in such disparaging terms.

She told the jury that by this time her nerves were so frayed she was taking medication for hypertension. "It was making me feel desperately unhappy, physically ill and emotionally shattered. I was becoming frightened of even going out of my house in the morning."

Repeated complaints to the police resulted in his being bound over by magistrates to keep the peace on no less than three occasions. But Smith, she said, was not to be deterred.

In evidence, he claimed he had believed the woman was interested in him, and said the Crown had exaggerated its case.

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Collector's item: The dress which Ekland wore for her wedding (above) to Peter Sellers in 1964 went on sale (right) at Christie's in London yesterday

## Sixties icon puts her past on sale

Marianne Macdonald  
Arts Correspondent

The short, flower-encrusted wedding dress worn by Britt Ekland for her 1964 wedding to comic Peter Sellers was put up for sale by the Swedish actress last night as part of a bid to "simplify her life". Acclaimed as one of the world's most beautiful women, she also sold photographs documenting her work as a model, marriage to Sellers and motherhood.

Many of the clothes offered by the icon, who also partnered the singer Rod Stewart, recalled her heyday in the 1960s and 1970s: long, lace frocks, sequinned ponchos and multi-coloured jerseys. Also up for grabs in the auction, held at Christie's South Kensington, were leather shoes, handbags and jewellery, a brass double bed, and Rod Stewart gold and platinum presentation discs.

Collectors could even buy a brooch outline of Ekland's lips, by sculptor John Cotter, who sold replicas in bronze, aluminium and plastic with the slogan "Shut your eyes and imagine it's Britt you're kissing".



## Too many students pass with honours

Judith Judd  
Education Editor

What is a graduate? Academics involved in a two-and-a-half-year study of graduate standards have had difficulty in deciding.

They have come up with a list of possible characteristics, such as the ability to analyse, investigate, create products. They also suggest that graduates might be emotionally resilient, enterprising, able to work in teams and to empathise. And, of course, they need a knowledge of their subject.

The difficulty, says the group in a report for the Higher Education Quality Council published yesterday, is that some of the attributes could equally well belong to people who have never been near a university.

While understanding the limits of a subject or knowing about contemporary research might be exclusive to graduates, critical and analytical skills are found at every level of education.

The group decided that it was impossible to come up with a single check-list of graduate characteristics, although they thought they did have something that other people lacked. Or rather they should have.

At present, the draft report says, some of those who get low-class or pass degrees do not possess distinguishing characteristics. It recommends a review of classification, establishing minimum standards which might mean that students who at present get thirds and passes would not qualify as honours graduates. There would be another system of awards below that threshold. It is the first attempt to promote nationally acceptable

thresholds in universities and to address concern about differing degree standards since the rapid expansion of the system.

Roger Brown, the council's chief executive, said: "We want to avoid the situation where certain degrees from certain institutions are not tradable currency. That is what is under strain."

Eighty per cent of students are now on honours degree courses compared with 40 per cent in the Sixties. "The balance of honours-level degrees ... seems out of line with the needs of an expanded higher education system," the report says.

It argues that there is no way of knowing "whether the standard of one degree in a given class in a given subject is comparable to that of another institution; still less whether there is comparability between subjects over the passage of time". Universities determine their own assessment policies but all use external examiners. The report says that the influence of external examiners has declined and needs strengthening.

Another proposal is that, to establish benchmarks for general skills, graduates might be given aptitude tests before going on to postgraduate study or employment such as those in use in the United States and in British business schools.

Professor John Stoddart, the council's chairman, said British universities might be accused of shooting themselves in the foot by posing some of the questions raised in the report. "Many other countries have blindfolded over their eyes. We have identified the challenges and that puts us far ahead of other countries," he said.

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## DAILY POEM

### From Nothing to the First of You

By Glyn Maxwell

Where Nothing wants you, wails it doesn't,  
howls you into wretched hugging,  
strips you from the sea to merely  
sling you back half-stiff half-orphan -

When Nothing cowered and humped in coves  
and mapped your mazy plunging progress,  
made a boat of bone of fishbird,  
wrecked it undershoe and shivered -

Something drew you, drew you on,  
set down the silver bobbing throne  
on somewhere, cast you cold about it,  
something had become expectant -

All your evil, ice and failure,  
all your slaughterous fool palaver,  
rotten anger, righteous hunger,  
death hot, death cold, death in armour  
better this than nothing ever -

And Nothing knows it when it's lonely,  
plotting progress of tomorrow's  
torment in a vein of envy,  
hates you with a smile while sleeping -  
shakes that dogging dream of something,  
aches all morning of its echoes,  
scratched out then out your surname  
stuck in a loveheart, loving Nothing.

In August 1994 Simon Armitage and Glyn Maxwell set out for Iceland to retrace the journey made by WH Auden and Louis MacNeice 60 years previously. The result is *Moon Country* (Faber, £7.99) a prose and verse portrait of contemporary Iceland and one of the year's more imaginative travel books.

## international

# Tyrolese enraged by cost of the drive to unity

Steinach - High above the Austrian Alps, there are lorries in the sky. Alpfen Appel, a 40-tonner, is passing through a mountain cloud. A solid line of trucks snakes over the Tyrolean village of Steinach every day, spanning a dramatic bridge, on the edge of the Brenner Pass.

"There are more and more each year," said Hubert Rauch, the mayor, who points to where trees are dying of pollution. He realises the traffic will be worse when the euro comes. As trade increased, spurred by the single market and open frontiers, the volume of goods passing through the Brenner Pass reached 30 million tons. When currency barriers fall, traffic is expected to double by 2020.

Not only is this shattering the peace and ecology, it is also shattering Austrian support for the euro and the EU. Its new Austrian "citizens" see that the leaders pushing through the single currency have no intention of paying for improved transit networks or enforcing environmental protection.

Recently Neil Kinnock, the EU transport commissioner,

In her second report on monetary union Sarah Helm meets some Austrian sceptics

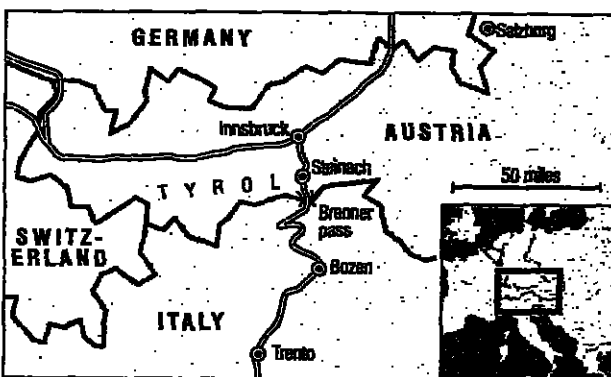
saw the Brenner problem, from a helicopter. But his proposals for a £3.5bn rail tunnel have been shelved, because no country wants to pay, particularly when member-states are cutting back to meet the Maastricht criteria for the single currency.

At Steinach, all the contradictions of Europe's drive for political and monetary union are writ large. Increased trade has benefited the Austrian Tyrol, which depends heavily on links with Bavaria and northern Italy. There is a *de facto* common currency, as traders take lire, shillings or marks. The Austrian and Italian Tyrolean regions recently banded together as a "European region".

Linsbruck banks will lose



High anxiety: The Tyrol is paying heavily for integration, with traffic through the Brenner Pass likely to double by 2020



the former Soviet bloc. Now they doubt the benefits as Vienna imposes "Euro taxes" to meet the Maastricht criteria. In the Tyrol, the traffic problem makes people reappraise

the toll on lorries through the Brenner Pass, the European Commission launched proceedings against it for breaching single-market rules. "People are making the connection between the traffic problem and Europe," said Fritz Staudigl, an official in Innsbruck. "They see goods being carried for miles ... And they are asking: 'What's the point? Why should we suffer so Swedes can have Italian grapes in winter?'"

The Tyrolean also question European agricultural policies. They want to know why German over-production of meat and milk should be forcing such large Bavarian exports to Italy. There is also anxiety about illegal immigration.

Three hundred customs officers from the Brenner area have lost their jobs since EU membership. Soon Austria is to join the Schengen agreement, which means ending all passport checks at its EU frontiers. At the Brenner, according to rumours in Steinach, 20 illegal immigrants are stopped a day.

Austria's fears about the euro are most commonly voiced in the simplest ways. People are scared of losing their strong currency. "People ... remember how they lost their savings during the post-war hyper-inflation," said Mr Staudigl. "Older people still talk of how they sold a house and found they could only buy a loaf of bread."

Tomorrow: Northern Italy

## God 'ordered women's deaths'

Mary Strid  
Johannesburg

Exactly four years after the brutal murder of two British women on a South African beach, a 36-year-old man has confessed to the killings. Elias Naom Sibiya told a court in Durban he hacked and stabbed the holidaymakers Julie Godwin and Elizabeth Over, both 30, because God had deemed it "the day on which they were supposed to die".

His court appearance came after he turned himself over to the police at the weekend. Mr Sibiya claimed the timing was deliberate. Overcome with remorse after the attack, he said he had begged God for a period of four years.

Speaking through an interpreter, Mr Sibiya calmly described how he attacked the women with a bushknife and a spear in their station-wagon at Nine Mile beach on the Maputaland coast.

Their naked and wounded bodies were washed up, just hours later, near the Mozambique border.

He had robbed the women but four months after the attack he said he felt so guilty he burnt everything he had stolen along with his weapons and clothes. After that he had felt close to God and begged him to be patient until the victims' families had forgotten their sorrow.

Mr Sibiya did not request legal representation at the hearing and said he would accept any punishment. He said he was just walking on the beach when he saw the women and "that was when everything began to happen". The magistrate ordered him to see the district surgeon and he was remanded in custody until 23 December.

Ms Over and Mrs Godwin, mother of a 23-month-old girl, had been friends for more than 11 years. Ms Over, from St Albans, Hertfordshire, had recently moved to South Africa to work as an advertising executive in Durban. Mrs Godwin, from Spratton, Northamptonshire, was to have been joined by her husband Tim and her daughter later on the trip.

## Chirac says Europe needs its own spy satellite, free of US

Mary Dejevsky  
Paris

France wants Europe to develop its own spy satellite facility as a "necessary precondition for achieving strategic autonomy", President Jacques Chirac said yesterday. Underlining the desire of the Gaullist government for a European defence capacity that could operate independently of the

United States, Mr Chirac said he also favoured the inclusion of defence structures within the European Union.

He was speaking on the second day of the annual assembly of the West European Union, the political arm of Nato in Europe, just a year after France announced its decision to rejoin most Nato structures. He was the first French president ever to address the 48-year-old organisation.

France and Germany are already co-operating on the development of a reconnaissance satellite. But Mr Chirac's proposal went further, calling for a "real European capability in space intelligence" and making it clear this was needed for "strategic autonomy".

The lack of its own satellite reconnaissance capacity makes Europe entirely dependent on the US for military operations abroad. Eu-

rope's other main deficiency is the lack of large military transport planes. Mr Chirac did not mention this, though he did appeal for the embryonic European defence agency (currently comprising France, Germany, Britain and Italy) to become "a competitive industrial and technological base".

These were two of four points Mr Chirac set out as France's programme for its presidency of the WEU which

begins next January. The others were the streamlining of current armed forces co-operation in Europe - which currently includes the mainly Franco-German Eurocorps and the mainly Franco-British European Air Group - and closer co-operation in operational planning between the WEU and Nato.

The tenor of Mr Chirac's speech, with its strong emphasis on European

defence autonomy, appeared to offer at least half an answer to a question widely posed when France rejoined Nato last year. Was its return an acceptance that in the post-Cold War world it needed the shelter of the Atlantic Alliance, or did it see its membership as a stage towards the creation of stronger European pillar within Nato which could eventually become an autonomous defence alliance?

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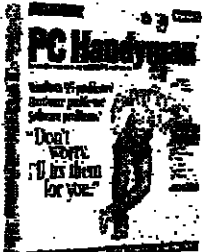
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Whilst giving evidence to the Transport Select Committee earlier this year, Sir George said:

"We will not simply roll over and accept the US version of liberalisation, known misleadingly in my opinion as 'open skies', which is clearly designed to tilt the market in favour of US airlines. We shall be seeking a new air service agreement which gives our carriers an opportunity to compete with US carriers on equal terms."

So how *unequal* are the terms at the moment?

What the Americans want is to be able to fly as many US aircraft as they like into Britain's airports, and then to pick up passengers in Britain and fly them on to Europe and the rest of the world. (Which would be fine if there were enough take off and landing slots.)

But what the Americans aren't prepared to give the UK is the right to land at US airports and then fly passengers on to other destinations in the US.

Nor are they prepared to give up any of the incredibly protectionist laws limiting the UK's right to invest in US airlines. Even though the US is already allowed to invest in the UK's airlines.

Nor are they even prepared to give up their one sided policy that dictates that US Government people must fly only on US airlines.

In fact the only so called concession that the American Government is prepared to make has nothing to do with 'open skies' at all.

It is to sanction the monopolistic merger between British Airways and American Airlines.

A merger that would normally be deemed illegal by the Americans because it is so anti-competitive. Especially as between them BA and AA control the lion's share of Heathrow's take off and landing slots.

In short, this is not an 'open' but a 'closed skies' deal. It offers nothing for the flying public. But it does offer a juicy monopoly for two of the world's biggest airlines.

We urge Sir George Young to stick to his guns, and negotiate a deal that will create a level playing field for all Britain's airlines, and that won't disadvantage either the British or American flying public.

Any other deal is most unwelcome.

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## international

# Australian public back move to republic

Robert Miliken  
Sydney

A new opinion poll in Australia has revealed for the first time there is sufficient public support to change the constitution to make the country a republic.

Published yesterday in the *Sydney Morning Herald* and the *Age*, of Melbourne, the poll showed 55 per cent of Australians want to replace the



John Howard: Promised to hold convention on republic

Queen with an Australian president as their head of state, a rise of 4 per cent since a similar poll was taken last year.

More significant is the fact that a majority of voters in five of Australia's six states want a republic. This is the crucial test that republicans would have to pass in order to change the country's constitution. For it to be altered, a referendum needs not only an overall majority of votes but also a majority vote in at least four of the six states.

This has made the constitution notoriously hard to change. Since 1901, when it came into

force, only eight of 42 proposals to amend it have passed popular referendums. But, according to the opinion poll, Tasmania is the only state where republicans are still in a minority, at 46 per cent. In New South Wales their support stands at 57 per cent.

The latest republican opinion poll has put renewed pressure on the federal government, led by John Howard, to press ahead with its election promise to stage a convention next year as a first step towards holding a referendum on a republic by 2000.

Mr Howard is a monarchist, who has shown every sign of trying to sweep republicanism under the carpet since his conservative coalition government's election last March. But republicans, including MPs in the Liberal Party, which Mr Howard leads, have called on him to honour his promise.

At a republican rally attended by 2,000 people in Sydney on Sunday, Gladys Berejiklian, president of the Young Liberals in New South Wales, urged Mr Howard to hold a referendum.

Robert Hughes, the Australian author and critic, told the audience: "There is nothing, absolutely nothing, Australian about our present head of state, the reigning British monarch. The monarch's role as the simultaneous head of state of Great Britain and Australia had its obvious uses when the interests of the two nations overlapped and were in essence the same. But today they are not always the same and, in the coming century, they will be less so."

Republicanism crosses party lines and among Australians aged between 25 and 54, support stands at 60 per cent.



Dummy run: Students with an effigy of Milijana Markovic, wife of Serbia's President, Slobodan Milosevic, during a demonstration yesterday in Belgrade. Photograph: AFP

# Russian roulette as casino comes to the backwaters

Helen Womack reports on a post-Soviet route to success

Yelets — The local newspaper reporter declined the black caviar sandwiches offered by Gennady Savenkov, arms-trader-turned-casino-owner, catering for the few people with money in the depressed central Russian town of Yelets. "I do not want to be dependent on that man," he said.

But a sandwich consumed will hardly inhibit your correspondent from telling the truth about the Ph Club, or as much of the truth as one can ever establish in this land of absurdity.

Depending on whom you ask, Mr Savenkov is either a greedy villain or a hero struggling for the right to free enterprise in one of the most staunchly Communist pockets of the provinces. But nobody is indifferent to "Papa Genna", whose taste for nylon sports suits belies his wealth and power.

He admits to having spent "big money" financing the political opponents of the Communist-leaning mayor of Yelets, Viktor Sokolov, so far to no avail. Mr Sokolov remains in office, "putting up endless bureaucratic obstacles to enterprising businessmen", as the casino-owner says.

But Mr Savenkov has had one victory as the regional court has just overruled the mayor and allowed him to register the Ph Club (Ph for Phoenix). "Seventy per cent of my energy goes into the war with the mayor. But thank God there are some people who respect the law," he said as he welcomed the press to his leisure complex.

A sauna and restaurant are still being built but the casino is already in full swing — by Yelets' standards. In other words, at 10 o'clock last Thursday night, two clients were moving from the poker table to the roulette wheel, from the roulette wheel to the black jack table, attended by a veritable army of croupiers, cocktail waitresses and security guards.

"It gets busier," Mr Savenkov said, sipping a champagne cocktail. "We are already breaking even. Rich people come from Lipetsk, Voronezh and Moscow. Typically, they play with up to \$2,000 a night. But yes, I have to admit, you can count the number of wealthy people in Yelets on the fingers of one hand."

There is no doubt that Mr Savenkov is the fattest finger. A former army officer who helped carry out the state trade in weapons to Soviet clients such as Angola, Ethiopia and Iraq, he made his undisclosed per-

**I admit, you can count the number of wealthy people on the fingers of one hand'**

sonal fortune by opening a network of petrol stations on the road to Moscow. "Undiluted petrol" is his slogan.

With his petrol business, he is indeed providing a public service for. Before him, a driver who did not have the foresight to fill his tank in Moscow, 400 km to the north, could find himself spending the night in his car on the empty road, waiting for someone with a canister to take pity on him. Now, instead of motorists begging for petrol, the road is lined with people selling vases and television sets, the left-over production from bankrupt local factories.

Unemployment in the town is high. Giving work to 250 people, Mr Savenkov is proud to

call himself a major employer. How much this man, who has a four-storey country house and a fleet of cars, pays his workers is "one of my secrets".

Galya, a cocktail waitress whose dark make-up gave her eyes a bruised look, was sullen. "I'm always unhappy. I have an unhappy personality," she said. Natasha, a trained nurse-turned-croupier, was more cheerful. "If they have earned the money, they have the right to throw it away," she said, when I asked what she thought of the clients.

The players that night were sportsman Boris Grigoriev, who has been entered 17 times in the *Guinness Book of Records* for feats of strength, and his girlfriend, Vera. "We have been bitten by the gambling bug," laughed Vera, adding that the couple usually spent about \$100 a time.

"The players are sick. They are like alcoholics. I do not pity them," commented the owner, who said he never gambled himself and drank only in moderation. Whom did he pity? "Children," he said, adding that he gave some of his money to charity. For example, the local ambulance service received his petrol free of charge.

But he admitted he found as many ways as possible to reduce his tax burden. "The taxes are too high in this country," he said. "The authorities are cutting the branch on which we sit."

Did he fear the rich could be swept away in a new Russian revolution? "Russia will not go Communist again," he said. Then after a moment's thought, he added: "Of course, I was a Communist once myself, you know." Gennady Savenkov is a survivor, a man who will adapt and thrive whichever politicians are in power.

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# Burma protest arrests

And I remember what the commandant said as we sipped coffee in his mess. "I saw a schoolgirl in the Blida morgue who had had her throat cut. I don't know if it's true what they said, that her murderers cut "GIA" on her hand. I didn't see her hands. But I saw her head. They had almost completely severed it from her body."



**Ms Suu Kyi said yesterday:**  
**"I would like the world to know**  
**that the repression in Burma is**  
**getting worse.**

Saudi Arabia has seized banned chewing gum and drops that claimed to improve male sexual performance, a Saudi newspaper reported.

The stimulants, sold discreetly by pharmacies as "weak souks" in the conservative Muslim kingdom, were apparently smuggled from Israel, the daily *al-Aqshadih* said.

Last year, Saudi Arabia executed four Turks for trying to smuggle aphrodisiac drugs into the country. *Reuters - Dubai*

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## international

# Chinese to evict migrant families

Teresa Poole  
Peking

The ability of an army of migrant workers to slip through the net of China's tough population controls has prompted a crackdown in the booming southern city of Shenzhen, where 906 migrant families are being thrown out of town with two weeks' notice because they have exceeded the permitted birth rate.

The Peking Economic Daily yesterday reported that the Shenzhen city authorities had confiscated the migrants' residence certificates, revoked their labour permits and business licences, and ordered the housing department to stop renting apartments and shops to them.

All city residents in China must have a *hukou*, or household registration, and when migrants arrive and settle in an urban area they must obtain a temporary registration. The 906 families will probably return to their rural home villages, or move to another coastal city.

The penalty for breaking family-planning regulations can be severe. In impoverished areas, peasants face having their houses demolished. In cities, punishments are heavy fines and demotion at work. In April this year, a Peking court fined one couple 50,000 yuan (£4,000) for having a second child. Human rights groups have documented cases of forced abortions and sterilizations.

The government is desperate to make sure China's population does not exceed 1.3 billion by 2000. The strict population-control policy permits one child per couple in cities, and usually two in the countryside. However, China has up to 100 million rural workers who over the past decade have moved into the cities and fast-growing coastal regions where work in

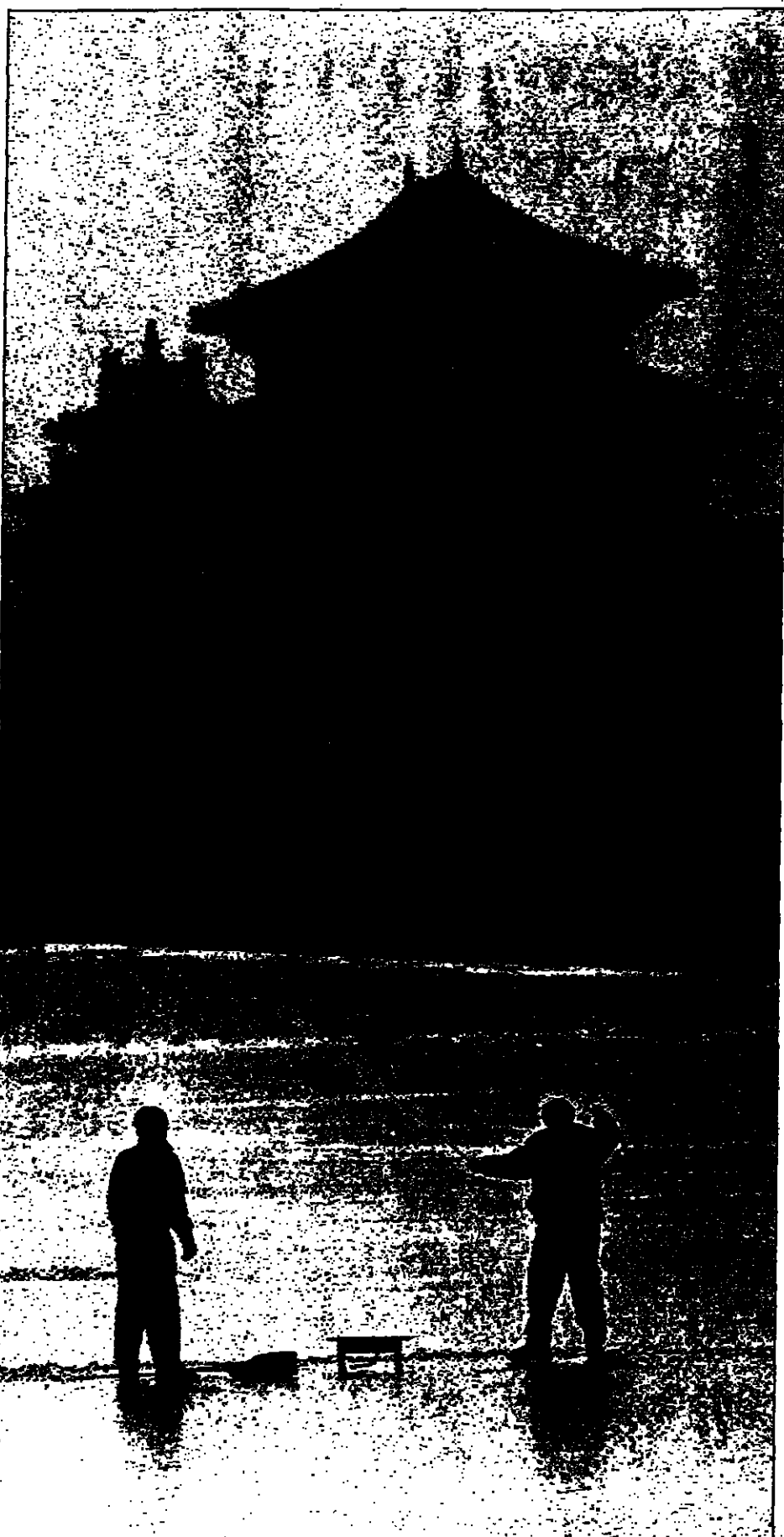
factories and construction sites is available. Their mobility has meant they have escaped many of the family-planning restrictions imposed on the indigenous city population and static rural inhabitants.

Wang Guoqing, the Family Planning Commission policy director, said: "The transient population in keeps growing because most members in this group are of reproductive age, and many stay away from their home towns for a long time."

According to regulations, the migrant worker's home town and his or her new place of residence in theory share responsibility for compliance with family planning regulations. In practice, neither is likely to be monitoring the situation. Migrant workers often rent accommodation through private landlords, and move from job to job, escaping the strict vigilance of permanent city residents who must obtain permission from their "work units" to marry or to get pregnant.

The fact that the Shenzhen case was reported in the Peking Economic Daily probably means the city government is eager to demonstrate to Peking that it is cracking down on illicit births. Shenzhen, bordering Hong Kong and the site of China's first Special Economic Zone, is one of the richest parts of the country. In such regions, wealthy rural families are now opting to pay the fines or the bribes necessary in order to enable them to have more children.

China's family planning programme has been widely criticized by Western countries for its punitive nature. Over the past year, the government has admitted it has failed to convince peasant families of the benefits of fewer children, and now says it is putting more emphasis on linking family planning to alleviation of poverty.



Winter sport: Two hopefuls join enthusiasts at the most around Peking's Forbidden City yesterday for the start of the highly popular ice-fishing season. Photograph: AFP

# Peking alarmed as illegal school fees force pupils to quit

Anhui — In Chenguan township, north-west China, Kang Xisai was one of the casualties of China's cash-strapped rural education system. He did not start school until he was nine years old because his family was "too poor" to afford the fees, he said. And when his parents finally scraped together the money, there was only the basic village school, with just three teachers.

During the early Communist era in China, rudimentary schooling was provided free to the nation's children as part of the so-called "iron rice bowl" welfare system. It was not fancy, but at least it was free. But when economic reform took hold in the Eighties, the schools found themselves desperate for money. State funding was no longer sufficient, and even when money was available it was often illegally diverted by local governments away from schools and into speculative business schemes. Across the country, including the poorest areas, parents were suddenly introduced to a new concept — the bill for school fees.

Aware of growing resentment, especially in poor rural regions, China has now launched a nationwide inspection of all schools to stop widespread overcharging of fees. It is commonplace for parents to be charged for anything from tuition, books, desk space, electricity and heating, even to rubbish disposal.

The government is alarmed at the large number of children, especially girls, in poor rural areas who have dropped out of school because of illegal fees charged by a rundown rural education system. The inspection of fees in primary and middle schools will "protect social stability," the *People's Daily* said last month.

While China has become much richer over the past decade, government spending has slowly declined as a proportion of gross national product to just 2.46 per cent in 1995, well below the target of 4 per cent. And not all that money ends up where it should; the State Education Commission

Nationwide inspection is launched to stem emptying of classes in poor regions. Teresa Poole reports

earlier this year accused officials of diverting money to "the construction of auditoriums, amusement halls, [and] hotels". Last June, according to the National People's Congress, unpaid teachers' salaries amounted to 290 million yuan (£23.2m).

By law, children should have at least nine years' education in China, but in rural areas this is rarely the reality. Kang is now a very short and thin 13-year-old. He has only one set of

Parents are charged for tuition, books, desk space, heating, even rubbish disposal

clothes — a dirty jacket, frayed trousers, and an old waistcoat with broken buttons. He must go the whole winter without washing, because there is only the freezing river. But in one important respect, Kang's life has taken a big step in the right direction: he now goes to a proper school.

Since it opened last year, Kang has attended the charity-aided Pinghu Hope School in Chenguan township, just five miles from his home in the impoverished north of Shaanxi province. This is part of Project Hope, a state-backed charity set up in 1989 to get drop-outs back to school, especially in the countryside. Project Hope has opened more than 2,500 rural schools mostly in north-west and south-west China, and claims to have returned 1.25 million children to the classroom.

The three-storey Pinghu school was sponsored by a township in Shenzhen, the

booming southern region next to Hong Kong. It put in 300,000 yuan (£24,000), and the Anshai county government provided double that amount. Now the school has almost 1,000 pupils between seven and thirteen years old, two-thirds of them from local peasant villages.

Gao Qi, a teacher, said: "In the past, before this school, some children only finished grade three or four, and then dropped out."

The headteacher, Yang Ting, 39, added: "It is because parents do not think that education is very important. And because of poverty, so the kids just help the parents working in the household or field instead of going to school."

The Hope schools, one likes to assume, are the least likely to be ripping off their students by charging extra fees. The official rate at Pinghu is 28 yuan (£2) per term for tuition, and about 40 yuan (£3) a year for textbooks. But even this apparently low level of charges is not negligible in an area where, according to the headmaster, annual per capita income is just 800 yuan (£64). In this very poor area of China, Pinghu school still relies on parents to provide one-third of the annual budget through their fees. Young Kang said that his parents still found it "difficult" to pay.

Nor has Pinghu escaped financial constraints. There are at least 60 children per class, and the teachers all have to share one classroom. The headmaster groaned: "We don't have enough classrooms, and if we employ more teachers we will have financial difficulties. We can't get more money from the county government."

Young Kang, however, is one satisfied customer who now has a goal which would have been unthinkable 18 months ago. "My family will try their best to send me to middle school," he boasted.

# Bosnia risks foreign-aid drought

Reuters — Bosnia's ethnic communities will receive only a trickle of foreign aid to help rebuild their shattered country unless they start complying with the terms of the Dayton peace treaty, British officials said yesterday.

The officials, speaking the day before the start of a London conference, to be attended by

foreign ministers and aid agency representatives, to take stock of the year-old Bosnian peace process, said the nation's Serb Republic and the Muslim-Croat Federation were badly behind the schedule agreed at Dayton a year ago.

"Those [Bosnian] entities that do not follow those requirements will find themselves

at a disadvantage when it comes to other areas of implementation," an official said.

The various sides were hampering freedom of movement, the officials added, preventing refugees from returning home, committing human rights abuses, refusing to hand over war criminals and not complying with arms-control reductions.

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# Scrutiny is the best recipe for avoiding food scares

There's nothing like a little tampering with nature to set the public panicking. From the Bible to Shakespeare, from Jehovah's Witnesses to organic food enthusiasts, our history and culture drip with the notion that the natural order knows best. Myths of nature's vengeance run deep. The rot began in Hamlet's Denmark because Ham's mum upturned the royal and family order. Prometheus endured the wrath of Zeus because he dared disrupt the human and godly order by stealing fire for human use. Throughout our history and mythology, human beings have been punished when they arrogantly overstepped the line to organise the world for their own convenience.

So-called modern diseases such as repetitive strain injury and chronic fatigue syndrome are explained away as the self-inflicted consequences of our hectic lifestyle. Cancers are attributed to everything from nuclear power to pesticides, but always to man-made, "unnatural" phenomena. When the focus is food, we become even more emotional. After all, (apart, perhaps, from sex) nothing is more central to our culture than eating and to our most important social rituals. The idea that we can be poisoned by performing one of the most basic and simply pleasurable of animal acts confuses us deeply. So, most recently, the BSE disaster has lent support to the "nature-is-sacred" point of view. After all, BSE might

never have spread had bovine herbivores not been forced to become cannibalistic carnivores.

No wonder then that the prospect of genetically engineered food raises such suspicion. Here we go tampering again. Already we find that genetically engineered maize fed to cows could jeopardise the safety of our beef. What further dark forces will we unleash if we meddle with DNA?

The problem is, we cannot blame science for food health scares - we can only blame ourselves. The problem lies not in our science, but with our lifestyle and our public institutions. Yet twisting and tweaking the genes of the supermarket tomatoes should be no more controversial than any other form of scientific research. Like any other product - a new medicine, a pesticide, a new sweetener - these genetic vegetables should undergo strict and rigorous testing. However, if the research delivers something that works, such as cheap but tasty tomatoes available all year round, then we should welcome it with enthusiasm. Scientific progress has brought us cheap food of countless varieties, widening our choice and helping many of us live healthier and more interesting lives. The fact that meat and vegetables are intensively farmed is exactly what makes them affordable, and allows many busy people on tight budgets to maintain a balanced diet, and allows less well-off people

to spend more of their money on other things.

But that doesn't mean we don't have a genuine and growing food problem. We do. Food poisoning cases are on the increase; from 63,000 in 1992 to 82,000 in 1994. Even if people are becoming more willing to report their bowel movements to public health officials these days, this is a significant increase.

Who or what is the real culprit for our bubbling gastric troubles? One factor is our changing expectations. Most cases of food poisoning are still a result of easily avoidable mistakes in the kitchen: using the same knives for

cooked and uncooked food, not cooking food for long enough, reheating food that should really be thrown away. The mistakes we make in our own kitchens poison only ourselves and our families and rarely get reported.

But these days we eat out far more often, trusting our stomachs to the hygiene of hard-pressed cooks in low-paid, low-profit industries. When that Indian restaurant reheats the madras, when the pizza chef slams the cooked margarita down next to the uncooked chicken, when cooks in a hurry cut corners, customers pay the price in a night's lost sleep or a few days' miserable dis-

comfort. The same is true in institutions, including schools and colleges: low-paid kitchen staff heat cook-chill lunches against the clock. In the circumstances, it would be a wonder if children didn't get food poisoning occasionally.

For most of us, food poisoning is little more than a minor inconvenience. The risks of chopping our way to severe gastric trouble remain small. *E. coli*, the bacteria that has killed several people in Lancashire, remains rare. Nevertheless, for the young and the elderly food poisoning can be fatal. If we wish to improve public monitoring, and to prevent our food problems growing even worse than they already are, we must insist on more alert scrutiny by trading officers and health officials.

Perhaps most important, however, we should take government responsibility for food out of the hands of the producers. We can't even start to improve the food we eat in our own kitchens if we aren't given full information by a government acting in our interests. Unfortunately the Ministry for Agriculture, Fisheries and Food still operates in the interests of the farmers and the food producers rather than consumers. We all remember Cordelia Gummer - daughter of the agriculture minister, not the health minister - wailing down hamburgers to defuse the rumours about BSE. When Edwina Currie as health minister spoke out about salmonella in eggs, the Maff

brayed for blood - and they got it. Salmonella cases went on rising even after Edwina was sacked.

Poisoned food in Britain is not the crisis it sometimes seems. For most of us, the advances in convenience and access outweigh the dangers. We are certainly not the prey of a ruthless scientific-corporate establishment, ruining our food in pursuit of profit. Nor are most of us ever at risk of contracting anything worse than a gippy tummy. But our public health is certainly worse than it need be, thanks to carelessness, ignorance and an inappropriate system of supervision.

## Let livers set the office party limit

Why do we need to reinvent old rituals? One is the bacchanalian madness otherwise known as the annual office party. But if employee libido runs as free as the red wine at Christmas, should employers get excited, too? It's a danger zone, says Trish Embley, an employment law specialist. Managers, she says, should stop things getting out of hand. But isn't that the whole point? To be indecorous, out of order and generally wicked? As long as no windows or laws get broken, propriety, lust and livers should be left to look after themselves. For once, it's none of the bosses' business.

## LETTERS TO THE EDITOR

### Real 'pro-life' agenda more than abortion

Sir: If there is to be a major debate here on "pro-life" issues, I hope it will include a decent definition of what "pro-life" actually means.

It often means merely opposition to abortion and euthanasia, but "pro-life" must include campaigning for disabled people's rights and opposition to the death penalty. How can we expect people to value the humanity of the unborn if we are not prepared to respect the value of the born, no matter what they have done?

The "pro-life" agenda must also value single mothers. Why should women be penalised for making the brave decision to keep the child? With both pro- and anti-abortion surveys in the United States showing that lack of support from the father is the primary reason for having an abortion, should not pro-life campaigners promote increased male responsibility?

Then perhaps it will be possible to reduce the abortion rate even without reform of the Abortion Act. IMOGEN CATERER Gloucester

Sir: "Abortion politics sweep into Britain" (report, 30 November). And about time. About time we had an open debate about the whole business.

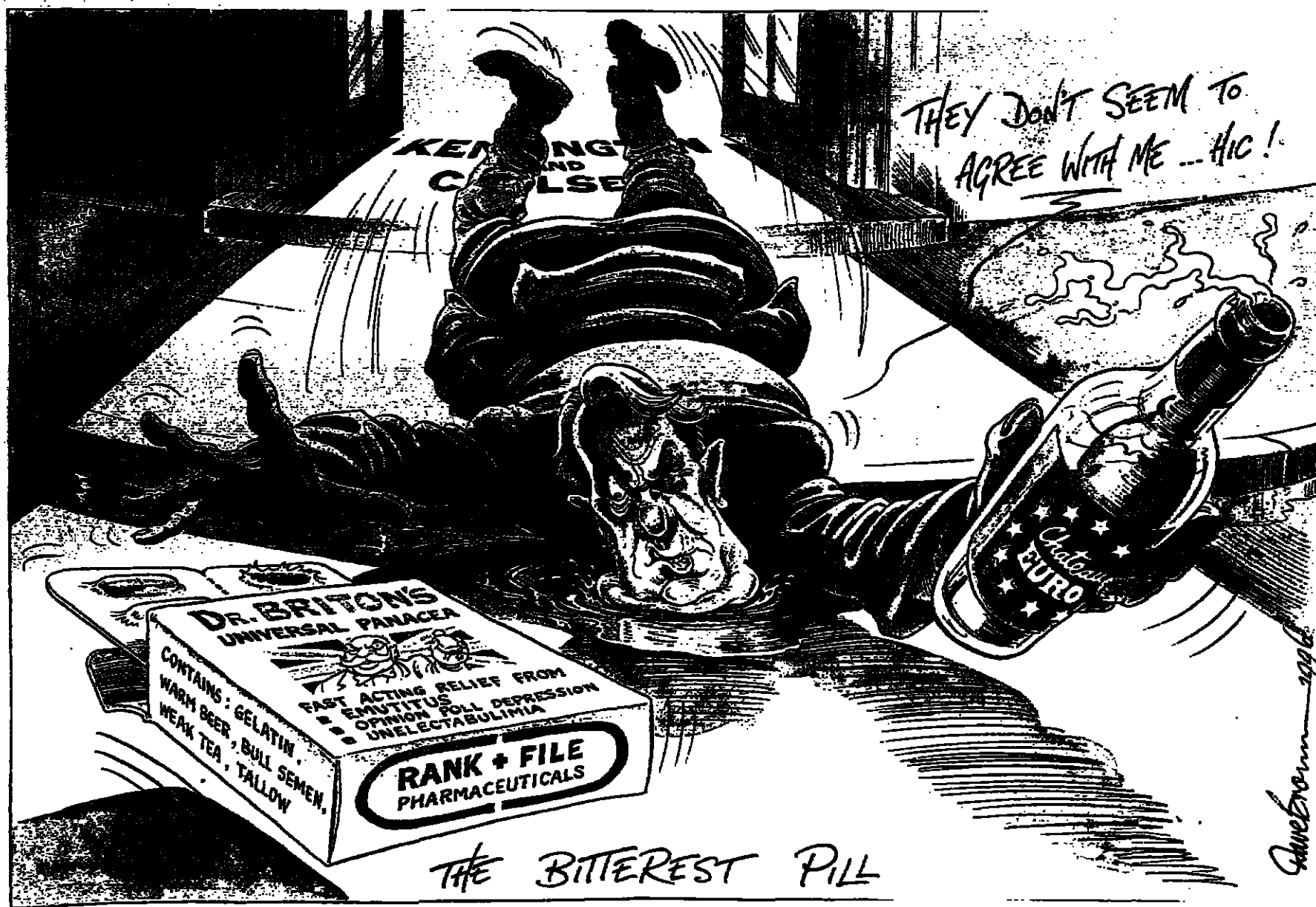
The Birth Control Trust think the sight of an abortion is "gruesome". They are right. Killing another human being is always a horrible thing. Of course the pro-choice lobby want it all kept safely out of sight. Does that make it all right? Does keeping abortion out of politics, as the Prime Minister wants, make it right?

We are living in a survival-of-the-fittest society - a culture that increasingly claims it is legitimate to pick off the weak and the inconvenient. In Nazi Germany, psychiatric patients were considered dangerous and those deemed were put to death. It was done legally, it was done behind closed doors and it was done with the connivance of the medical profession. Now it is the unwanted child (that is "inconvenient"). So 170,000 a year are put to death. It is done legally, it is done behind closed doors and it is done by the medical profession.

What next? Legalised euthanasia for the expensive and troublesome elderly? What will future generations say about us? HUGH J THOMSON Consultant surgeon Birmingham

Sir: The last British national abortion survey conducted by MORI in 1995 asked whether voters agreed or disagreed with the principle of "abortion on request", which goes beyond what is permitted under the present Abortion Act. Sixty-six per cent strongly agreed with this or tended to agree with this. Twenty-four per cent disagreed or strongly disagreed with this.

The Pro-life Alliance, which is apparently to put up candidates at the next election, will draw its votes from the 15 per cent that declared they "strongly" disagreed with the abortion on request of the pregnant woman. Most even of these religious extremists will prefer not to vote on a purely fundamentalist platform, however, since they have views on taxation, Europe and other subjects. Since I believe that compelling



### How to save the Reading Room

Sir: I was very sad to read ("The final chapter for library classic", 30 November) that Camden planning committee has given permission for the conversion of the British Museum Reading Room from its proper use into a computer café.

My respect and admiration for this great national institution go back 50 years to when I started work from school as a ticket issuer for the Reading Room, and where, as your correspondent recalls, I met my partner, Angus Wilson, who contributed so much to the work and life of visiting scholars from all over the world.

The Reading Room is indeed one of the wonders of the world: a superbly purpose-built room for study, as I can testify, having used it as a reader.

What should happen, and could happen if this Government had an ounce of respect for our heritage, is that the Reading Room should be dismantled and re-erected alongside the new British Library at St Pancras, where its rightful function could continue, and where the second largest dome in London could be seen: it is not seen now unless you climb to the roof of the Museum Tavern.

There is land available, unless the Government has sold it to the private sector - something it is compulsively impelled to do. The space left at the British Museum site would be invaluable to the departments remaining. TONY GARRETT Bury St Edmunds, Suffolk

### Set fixed terms between elections

Sir: What a relief an election sooner than May, when this Parliament's time runs out, would be to all concerned, you say in your leader of 2 December. And so, doubtless, it would be.

Nevertheless, the prerogative of prime ministers to call an early election is open to question.

Not only are they quite powerful enough without it, but the right to manipulate the election date confers on the governing party an unfair electoral advantage and the ensuing uncertainty can be highly damaging economically.

If other countries get by quite happily with fixed-term (usually four-year) parliaments elected on predetermined dates, why can't we? WALTER GREY London N3

### Bed to verse

Sir: Phil Hammond MD (3 December) quotes the opening lines of the children's classic "Miss Polly had a Dolly" as an example of inappropriate behaviour on the part of patients.

Tellingly, he omits the other verses. The second - "The Doctor came with his bag and hat, and he knocked on the door with a rat-a-tat-tat" - contains a blackly satirical suggestion that the doctor might come promptly.

The third - "He looked at the dolly and he shook his head, and he said 'Miss Polly put her straight to bed'" - has the swiftly drawn portrait of a condescending bedside manner.

And the fourth - "He wrote on the paper for a pill pill pill, and he said 'I'll be back with my bill bill bill'" - leaves us in no doubt as to where the doctor's priorities lie. JULIAN CONNERTY London N6

women to have unwanted babies is both socially undesirable and morally evil. I very much hope this religious faction will put up candidates and that this is not just one of their usual publicity stunts. This will demonstrate once and for all that their actual capacity to attract votes even in favourable constituencies will amount to maybe 3 per cent of all those voting, thus placing them firmly in the lunatic fringe of electoral contenders. MADELINE SIMMS London NW11

Sir: It would seem logical that those who oppose abortion should wish to obviate abortions by actively promoting contraception. Why don't they? R CLATWORTHY Beverley, East Yorkshire

### Rise in birth rate not the answer

Sir: D R Smith raises the question of future population increase (letter, 2 December) and suggests that an increase in the birth rate "could be considered desirable to counter the ageing population".

In fact it seems unlikely that there is any such problem of an ageing population. Given the increasing tendency towards forced early retirement, and endemic high unemployment, it is clear that whatever the restraints on our ability to provide for an increasing number of elderly may be, a shortage in the working-age groups is not one.

Even if it were, to advocate increasing the birth rate would require the same false logic as that

behind such scams as pyramid selling and chain letters. Not only would it increase the number of dependent members of the population in the short term, but in the long term would mean a larger retired population, as the new generation in turn grows old.

The increase in the number of households is being caused at least as much by fragmentation of families as the increasing population. On the other hand, as Mr Smith points out, the population is still increasing, but few could share his view that the predicted increase of 2.1 million deserves the epithet "only".

Like it or not, we are now facing harsh dilemmas because our population has grown so high relative to our natural resources. Is it not time that population became an important subject of national debate, and one which all political parties should address? CHRISTOPHER PADLEY Green Party Population Policy Working Group Market Rasen, Lincolnshire

### Too many eggs in the tunnel

Sir: Richard Hope writes (letter, 2 December) that it is "laughable" to argue that airlines could not switch capacity to meet demand should the Channel Tunnel be put out of action.

I have before me forecasts, published by Eurotunnel, of

passenger rail traffic through the tunnel in the year 2040, with and without the high-speed link. Without the link, through rail services alone are expected to carry 22.5 million passengers a year, and with it 45 million.

Last year, international traffic through Heathrow was 44 million passengers. The question posed by the proposed high-speed link is: how many eggs should be placed in one basket? JOHN ADAMS Geography Department University College London London WC1

### All correct on origins of kilt

Sir: Both your correspondents James Fraser Wild (letter, 28 November) and Fulton Gillespie (2 December) are correct about the origins of the Scottish kilt.

The ancient "quell" was indeed a rather short, indiscreet and cumbersome outfit. For this reason the Lancastrian Quaker, Thomas Rawlinson, who employed many Scots producing charcoal for his iron forges, had the military tailor at the Inverness barracks "abridge the dress and make it handy and convenient for his workmen". What the tailor came up with was the "felle beg" or "plaidie", the modern day knee-length skirt and separate plaid combination (as described by Hugh Trevor-Roper in *The Invention of Tradition*).

Yet despite this heritage I have to confess to a little pride in my own roots, for certainly in Glasgow the modern-day young Scot seems to favour the clans Armani, Versace and Dolce e Gabbana. JOSEPH FATTORINI Glasgow

Sir: Rawlinson's contribution was achieved by cutting in two the long and heavy woolcloth which till then was used in the manner described by the "Gentleman in the North of Scotland".

The long woolcloth would be prepared for use on the ground: the folds then were not stitched, and the owner would, apparently, roll in it. Not a very practical way to dress, but one should remember that this same woolcloth, when needed, would be unfolded and used as a blanket. R MARANELLO London NW11

### Whom can we taxpayers sue?

Sir: I have every sympathy with any child who is the victim of incompetent teaching and wonder why no one has thought of suing negligent teachers before now (report, 2 December). But from the purely selfish point of view of a taxpayer, I am just a bit concerned that I appear to be funding every stage of this process.

First, I pay for the child's education, whatever the

standard. That includes the school buildings, the teachers, the cleaners and the whole education bureaucracy. Then I pay the solicitors and barristers to sue the school, and the judges and court officers who try the case. In the meantime, I pay a sixth-form college to repair the damage done by the original school, and finally, if the court case is successful, I pay any damages awarded against the education authority.

Could someone please tell me whom I can sue for creating this ridiculous state of affairs? M H LIGHTFOOT Northampton North Yorkshire

Sir: Now that pupils are to sue their former school for their being educationally disadvantaged (report, 2 December), I presume it will be in order for teachers and pupils to sue disruptive members of the school who make study, progress and life impossible for everybody else. BERNARD O'CONNOR Dundee

### Poet justice

Sir: Your correspondent Row Watkins (letters, 30 November), in the course of chiding teachers for their ignorance of grammar, mangles and misapplies his quotation from Philip Larkin's *Church Going*. When Larkin wrote that "someone will forever be surprised/A hunger in himself to be more serious", he was thinking of more important matters than the ability to recognise modal verbs. DAVID REED Bristol



## essay

# A Lordly plot to save their place

Viscount Cranborne, Leader of the House of Lords whose lineage goes back to the time of Elizabeth I, is not going to let New Labour take away his hereditary rights without a fight

By Paul Vallely and John Rentoul

Behind the scenes the provisional wing of the House of Lords has begun to make its preparations. Paramilitary hereditary peers have begun piecing together a sequence of parliamentary plots to block Tony Blair's plan to begin a reform of the unelected chamber of the British parliament if Labour wins the forthcoming general election. Anonymous Tory peers have been reported this week threatening to "amend out of existence" Labour's two-clause Bill to take away the voting rights of hereditary peers.

Speculation centres on the person of Baron Cecil of Essendon. To students of history it will come as no surprise. The noble lord is a Cecil and therefore a member of the most distinguished dynasty in 400 years of British politics. His ancestor William Cecil, a Tudor lawyer, became the closest adviser to Queen Elizabeth I and was created Lord Burghley in gratitude. His son, Robert, succeeded to the post and continued as first minister to James I. Later Cecils included the last of the great Victorian prime ministers, Lord Salisbury. Prime Minister A J Balfour was a relative. And a subsequent Lord Salisbury became the kingmaker in the "magic circle" which used to choose the Tory leader.

Small wonder there was much

mockery about John Major's vaunted classless society when four years ago the present Robert Cecil - a former Tory MP who is heir to the Marquess of Salisbury and therefore known by the courtesy title of Viscount Cranborne - was catapulted into the Lords by an arcane "writ of acceleration" to join John Major's government. This event was a joyful anachronism for Tory snobs and pundits of the high Tory historical-mysticism bent. There was much talk of scions of a noble dynasty and a man who carried in his genes the accumulated political skills of the Cecils.

It is a poetic flummery which Cranborne is happy to exploit even in the midst of the latest political intrigue. Today he gives a lecture to the floridly-named right-wing think tank, Politica. Being a Cecil he is not afraid of the broad historical sweep. "Western Europe, whose culture has dominated the planet for over three centuries, is in danger of going the way of the Caliph, the Moghul and the Ming, and for very similar reasons," he declares in the pamphlet on which the lecture is based.

He is worried about nation states being swallowed up in large flabby supranational groupings that will sap the vital desire to compete on which Western civilisation is based. As with economics, so with con-

stitution has evolved by adapting to continuous competing pressures. He therefore rejects Labour's plans for the Lords, on the grounds that written constitutions are bound to be imperfect because they are based on so-called fundamental principles.

"Man is not a perfectible beast," he muses. "Therefore, how can a declaration of first principles itself be the embodiment of perfection - unless it has been drafted by God and not man? If the first principles are faulty, then the mechanical arrangements will be even faultier." Politics, he declares, "is not just about rationality, because man is not a wholly rational animal." This is, of course, the essential standpoint of any defender of the hereditary principle.

But there is not in that much of a hint of the parliamentary guerrilla warfare to come. Cranborne is too urbane for that. Publicly he stands by the promise made by Lord Strathclyde, the Conservative chief whip in the House of Lords, who said last month that his party would not block the ending of speaking and voting rights for hereditary peers.

In a letter to Lord Carter, a senior Labour frontbencher, Strathclyde insisted that the Tories would abide by the "Salisbury Convention" - invented by a previous Robert Cecil, Cranborne's grandfather, when

he was Tory leader of the Lords during the first Labour government in 1945. This insists the unelected chamber would not stand in the way of a manifesto pledge of a party which had won a general election. "It would be constitutionally wrong for this House to oppose proposals which have been definitively put before the electorate," grandpapa said.

Privately the plotters are planning a detailed campaign of constitutional ambushes to paralyse the first year of a Blair administration. "The Leader of the House cannot possibly sanction people planning that kind of thing," said a Tory party source but others in the House are convinced that Lord Cranborne will turn a benignly-unfocused eye to a group of die-hard Tory "provos" in the guerrilla warfare ahead.

Expect trouble of a protracted, procedural kind from the likes of Baron Denham, the former Tory chief whip in the Lords, a passionate defender of the hereditary system. Then there is the Earl of Onslow, who has already expounded the clever country-house Tory argument that the hereditaries should go, but not to be replaced by a fully-appointed super-quango. And trouble may come too from Lord Mowbray and Stourton, another ex-whip, who possesses England's oldest (13th century) barony.

The Cecils, with their curious mixture of high principle and low tactics, are well-versed in

this kind of thing. Their tradition is one of high Torydom, far more concerned with the eternal verities of Church and Crown than transient political fashions. When the two clash the Cecils have a habit of resigning. Cranborne's great-grandfather resigned from Disraeli's Cabinet over the second reform bill. His grandfather, Bobbety Salisbury, resigned twice - under Chamberlain over appeasement and under Macmillan over "coloured" immigration.

But they are cunning tacticians too. Lord Burghley, for 30 years Elizabeth I's most trusted adviser, though a generally moderate man was responsible for the execution of Mary Queen of Scots and was one of England's first propagandists, financing scholars to rewrite pre-Reformation English history from a Protestant perspective. His son, who was made the first Viscount Cranborne in 1604, successfully masterminded the transition from the Tudor to the Stuart monarchies following a policy which was anti-Catholic, anti-Spanish and anti-Puritan simultaneously.

The present Cranborne is a highly sophisticated political animal too. After a career as a banker in San Francisco and London he was elected to the Commons the same year as John Major. But on being promoted from the back benches to the first rung of Government he resigned within days in protest at the Anglo-Irish agreement.

(Cranborne is a strong Unionist). Margaret Thatcher never forgave him. Yet, some years later, despite his mildly heretical views about government policy, he was sent prematurely to the Lords by John Major to become a junior defence minister. He later became Leader in the Lords, where he successfully sorted out the mess left behind by the departing Lord Wakeham, who had presided over a series of humiliating government defeats and reversals. From there he masterminded Major's campaign to be re-elected as party leader in 1995.

His writ of acceleration was not uncontroversial. "It brings both houses into disrepute," said Lord's then spokesman on constitutional matters, Graham Allen MP. Cranborne shrugged such criticism off - as he did the tabloid outrage when he received the largest rise in a Cabinet pay-round at a time when nurses pay was being held down and, they pointed out, he stood to inherit £105m.

Imperviousness to popular indignation is, of course, an aristocratic trait. Cranborne is the man who in his younger days, after a good lunch at the Turf Club, put up for membership the Rhodesian Foreign Minister P K Van Der Byl, a racist Boer who had labelled all blacks "savages". And when as an MP he won the lottery to introduce a Private Member's Bill he proposed the reintroduction of the old university

seats which had been abolished in 1945.

So, few on the Labour side fail to read between the lines when Cranborne's advisers say that progress in a Labour Bill to remove the rights of hereditary peers "would be slow - everything must go through its full stages".

One Tory peer laughs out loud when it is suggested that Labour would like to get a Referendum Bill through in time to hold referendums in Scotland and Wales by September next year. "Everything is done by agreement in this House. There would have to be a compromise. And we have minimum intervals set out in Standing Order 44 - and there would have to be a vote to suspend it," he says gleefully.

Then there will be all the amendments to consider. There is "an endless permutation" of possibilities, says one Tory. A gloomy Labour official sets out likely Tory lines of attack. "They could do all the sorts of things that we do, you know, inserting requirements for 'consultation and evaluation'." Labour used this device themselves to defeat the Government over nursery vouchers earlier this year.

It is not as if the Tories have behaved with utter propriety in the past. In the 1970s, the Tories in the Lords ditched two of the Labour government's Bills (on trade union law and nationalising the aircraft and shipbuilding industries). And

despite the Salisbury Convention, the 1974-79 Labour government was defeated 343 times in the Lords. Over the whole period since 1979, the Tory government has only been defeated 231 times.

Labour strategists are now in a huddle as to how all this might be countered or pre-empted. Lord Richard, leader of the Labour peers, wants to give top priority to a Bill to remove the rights of hereditary peers. But other senior Labour figures argue that the Bill to set up referendums on devolution in Scotland and Wales ought to be pushed through first.

There is one Cecil precedent that no one expects Cranborne to respect. "It is the duty of every Englishman, and of every English party," said his great-grandfather, the last of the great Victorian prime ministers, "to accept a political defeat cordially." If Labour does win the election they can expect no such magnanimity from the latest Robert Cecil.

Lord Richard has told friends that if the Tory hereditaries indulge in obvious time-wasting and obstruction of the Bill to abolish their rights, it might be worth calling another general election - on the issue of Lords reform. It is not a threat he is likely to carry out, but it says something about Labour's estimation of the calibre of Lord Cranborne's generalship in the coming battle that he is prepared to go so far as to issue it.



The Cecil dynasty (clockwise from above): Lord Burghley, Elizabeth I's adviser; Robert Cecil, Lord Treasurer and the first Earl of Salisbury; Bobbety, the fifth Marquess of Salisbury, who resigned from two cabinets (photographs: Hulton Getty); and the present Viscount Cranborne, who displays all the political sophistication of his ancestors

## House of Lords

As of 19 October	Life Peers	Hereditary Peers
Conservative	142	318
Labour	96	15
Liberal Democrats	32	24
Cross bench	118	201
Others	21	68

## DANGER



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## All human life at Pork Scratchings



Miles Kingston

As I am always looking for ways of making a quick fortune, I have been working recently on an idea for a new TV sitcom. Hasn't everyone? I hear you cry. Yes, but this one should hit the jackpot, as it is set in a place that everyone knows and where every section of society meets, and yet which has never been the setting for drama. Where else but - the motorway service area! Here is an extract from the opening episode of what I

hope will be my long-awaited smash hit TV comedy: Welcome to Pork Scratchings...

The scene is in the offices on the Northbound side of the Pork Scratchings Service Area on the M99. The manager, Mr Stainley, has sent for Judy, the manageress of Lucy's Larder, the health food part of the service area, to introduce her to her new recruit, Toby.

Mr Stainley: Ah, Judy. How's everything in Lucy's Larder?  
Judy: Fresh. Organic. Tasty. Fabulous.  
Stainley: Is it really?  
Judy: No. But that's what we tell people.

Stainley: Good, good! Now, Judy, this is our new recruit, Toby. He's replacing Willy. Can you show him the ropes?  
Toby: Sir? Mr Stainley?  
Stainley: Yes, Toby?  
Toby: Can I ask you a question?

Stainley: Of course, lad! Intelligence is what we look for in employees at the Pork Scratchings Service Area! We never find it, but that's what we look for!

Toby: Well, Mr Stainley, what happened to Willy my predecessor? Why did he leave?

Stainley: He got food poisoning.

Toby: Food poisoning? Here? Stainley: Yes, I'm afraid so. He bought a burger from the southbound side burger bar. I had warned him never to venture over the other side, but he wouldn't listen. Now Judy...

Judy: Yes, sir?  
Stainley (in an urgent whisper): Oh, Judy, when can I take you out for a date again?

Judy: Never, after what happened last time. I still can't believe that your idea of a night out was to drive me 200 miles up the M, give me an all-day breakfast at Charnock Richard and drive me all the way back again!

Cue for cackling audience laughter. Cut to the shop on the northbound side, where the still is being manned by bossy camp comic character Herbert. A customer enters the shop.

Customer: Excuse me, I don't know if you can help me...

Herbert: Well, I can in principle, but it depends on the small print of your request. Customer: Pardon?

Herbert: I mean, what do you want?

Customer: Oh, Well, I'm trying to use the phone out there to phone home and tell my wife I'm late, but it's so close to the video games arcade that I can't hear a word my wife is saying. Herbert: I think you'll find she's saying:

"What's that horrible noise in the background? I can't hear a word you're saying!" Customer: So there are no other phones in a quieter place?

Herbert: No. Telephones are only ever put in two places at service areas. One is outside where it's so cold or so wet that people don't make long calls and form queues. The other is inside by the video game section, where it's so noisy that people don't make long calls and form queues.

Customer: So what's the answer?

Just then, an RAC recruiting man wanders past holding a placard saying "The End Of The World Is Nigh, So Join The RAC now!" He is talking on a mobile phone.

Herbert: There's your answer!

Customer: What - join the RAC?

Herbert: No, you silly cow -

get a mobile phone. You don't want to go joining the RAC.

Customer: Why not?

Herbert: It would give him a heart attack.

Cut to self-service section of cafeteria, where Tracy, the cheeky serving girl, is at the breakfast counter. A lorry driver approaches with his buy. Tracy: What do you want, sir?

Lorry driver: Full breakfast, please.

Tracy: How do you like your eggs?

Lorry driver: I like them lightly fried two hours ago, left standing around to acquire a soft patina of dust and grease, then reheated to glow slightly hard and varnished on the outside.

Tracy: You're in luck. That's the only sort we've got.

And so on, for another half-hour of relentless back-chat. Coming soon: the episode where the Genie Toilet breaks down for an hour and causes chaos, where Tracy becomes convinced that the newly arrived customer is Egon Ronny, and where someone actually joins the RAC, and the RAC man does have a heart attack.

صلى الله عليه وسلم



**Barbara  
Castle is  
wrong – we  
don't need to  
spend £3bn  
on benefits  
for all**

What of other universal benefits? Incapacity Benefit pays out £7bn, of which an estimated

Gordon Brown will need to harvest all he can. (Defence is another budget ripe for picking, since we spend twice the EU average.) He cannot send his front-bench troops naked into the general election with only the pathetic shreds of spending promises he has given them so far. So something drastic has to be done. He might enjoy boasting that Labour had cut the social security budget in ways that Peter Lilley never dared – while still giving more generously to the poor.

This position is not going to help Major's hoped-for revival in the polls. None of his nodding and winking will help. It makes him seem shifty, rather than patriotic. No wonder he is irritated by Clarke, the immov-

# We're having the wrong arguments



The anti-federalists are not being malign in changing the question, so much as logical. If the single currency is the lock-in mechanism for a fully federal state, with its own legal system, security structures, police force

If we really want to break from that, then there will be penalties as well as the undoubted benefit of living our lives under the absolute power of the likes of Michael Howard, Michael Portillo, Bill Cash and Dame Olga Mitchell. We will be unable to influence any shift towards a more hostile trading and business climate on the continent. We will endlessly be

Clarke may look politically weak - isolated in his party, unpopular with his natural supporters in the press. But in fighting to keep Britain's options open, and in recognising the dangers of the anti-European ratchet, he is doing his party a great service. And, unlike so many of his self-censoring cabinet colleagues, he has one great advantage. He can say, quite openly, what he thinks.

# Why they buy the Max factor

Example, the famous one: Freddie Starr never did eat that hamburger. It was just a good line.

So how does Clifford go



He works in the world of mirrors and smoke, where fact and fiction are adapted to suit. His name, Max Clifford, celebrity PR. He talks to **Peter Popham** about the lying game

"I rushed upstairs, and by the time I'd got to the top of the stairs I'd virtually taken all of my clothes off; by the time I'd got into the bedroom I was stark bollock naked. I pushed him into the wardrobe, and I then jumped into bed and seemed to be having sex with

*Tomorrow: the fourth tenor.*

**Will you give Tom  
a bed this Christmas?**



**When Tom's wife left, he lost his job and started sleeping rough. By last Christmas he'd hit rock bottom. But then, Tom found Crisis. At our Christmas shelter we gave him a bed, hot meals, medical care and companionship. We helped him feel human again. Like Tom, many ordinary people hit hard times and end up homeless. Will you help us bring them comfort this Christmas? With £25 from you, Crisis can provide food, bedding, clean clothes and someone to talk to. As the days count down to Christmas, over 2,000 homeless people are counting on Crisis. So please send £25 today – in time to keep them warm.**

## Countdown to Christmas

**Yes, I'll keep homeless people warm:**

£15    £25    £50    £250    other £\_\_\_\_\_

I enclose a cheque made payable to Crisis OR debit my

Card no. / / / / / / / / / / / / / / / /


\* Last three digits of Switch card no. \_\_\_\_\_ Switch issue no. \_\_\_\_\_

Expiry date \_\_\_\_\_ Signature \_\_\_\_\_

\* Gifts of \$250 or more are worth almost a third extra to us under Gilt Aid

Name (print) \_\_\_\_\_

Address \_\_\_\_\_ **CRHS**

Postcode \_\_\_\_\_ 

OR please phone our donation line **0500 10 99 99**

\_\_\_\_\_



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1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

1. *Chlorophyll a* (Chl *a*) is the primary photosynthetic pigment in most algae and higher plants. It is a green pigment that absorbs light energy in the blue and red regions of the visible spectrum.

**James Kirkup**  
Monique Lange, writer and editor: born Paris 11 September 1926; married Juan Goytisolo (one daughter); died Paris 7 October 1996.

\_\_\_\_\_

constructions of section 38(1) and (7), one narrow, the other purposive and broader. The Court of Appeal in *Re I* adopted the narrow view. It held that the words "other assessment of the child" had to be construed *eiusdem generis*.

There were two possible constructions of section 38(1) and (7), one narrow, the other purposive and broader. The Court of Appeal in *Re M* adopted the narrow view. It held that the words "other assessment of the child" had to be construed *ejusdem generis*

broadly construed. They conferred jurisdiction on the court to order or prohibit any assessment which involved the participation of the child and was directed to providing the court with material which it required to reach a proper decision at the final hearing.

**Paul Magrath, Barrister**



## Foreign Exchange Rates

OTHER SPOT RATES					
Country	Starting	Dollar	Country	Starting	Dollar
Argentina	12822	95986	Nigeria	39200	90000
Austria	12638	102028	Oman	58392	13650
Bahamas	7038	10328	Pakistan	46010	90000
Bahrain	13176	83001	Philippines	43380	95300
Egypt	56538	34020	Poland	26550	12540
Holland	12210	94000	Portugal	60120	31640
Ghana	264388	172100	Russia	92545	55700
Guatemala	12332	103302	Saudi Arabia	78890	46590
India		22300	Taiwan	45460	23200
Ireland	12522		USA	6000	6000

Note: Forward rates quoted here to low are at a discount (indicated from spot rate). Please contact us to learn more as to previous rates. All rates are based on a one year period. All rates are subject to change without notice.

Note: Forward rates quoted here to low are at a discount (indicated from spot rate). Please contact us to learn more as to previous rates. All rates are based on a one year period. All rates are subject to change without notice.

Interest Rates							
UK		Germany		US		Japan	
Base	6.00%	Discount	2.50%	Prime	8.75%	Discount	0.50%
Prime		Lombard	4.50%	Discount		Belgium	
Intervention	3.20%	Canada		Fed Funds	5.00%	Belgium	2.50%
Italy		Prime	4.75%	10-day		Canada	3.00%
Discount	7.5%	Discount	5.00%	Swiss Repo	6.75%	Switzerland	
Netherlands		Reserve		Sweden		Discount	100%
Advances	2.50%	Discount	3.25%	Repo (Net)	4.80%	Lombard	4.25%

## Money Market Rates

	O'Night	7 Day	1 Month	3 Months	6 Months	1 Year
Interbank	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
Storing CDs	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
Local Authority Deps	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
Discount Market Deps	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
Treasury Bills (Buy)	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
Dollar Bill	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
ECU Linked Dep	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4

Settlement price: 4082.00	closing offer price			Call/Put
Series	4000	4050	4100	Total/volume
Dec	84/10	65/27	20/52	5/100
Jan	13/32	47/48	48/71	27/104
Feb	14/43	108/66	80/90	55/118
Mar	158/70	124/67	94/110	71/137

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# business & city

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## Insider dealing jury fails to reach verdict

Jill Treanor  
and Peter Rodgers

The insider dealing trial of Douglas Swinden, the former director of strategy at Eastern Electricity, ended inconclusively yesterday after the jury failed to reach a verdict.

This leaves Dr Swinden, 53, facing a retrial in the new year if Ian Lang, Secretary of State for the Department of Trade and Industry (DTI), decides to pursue the case, though doubts were raised yesterday about whether it would go ahead.

Separately, it emerged yesterday that in the wake of this setback that the DTI had secured a conviction in another insider trading case, the first this year.

The DTI confirmed that Geoffrey Atkinson and John Hawkesby were found guilty on 1 November of insider trading in the shares of Queens Moat Houses. The two men are due to be sentenced tomorrow.

Legal sources said it would be usual for the case of Dr Swinden to be tried again, but the trial judge, Mr Justice Mitchell indicated he did not think a retrial would be necessary.

"I would like to place on the record my feelings for what they are worth. But I do feel it would be wrong to proceed with the matter," the judge

said at Snaresbrook Crown Court, east London.

He said: "There were very unusual circumstances in the case." They included evidence of the company secretary of Eastern, who told Dr Swinden, when asked, that he did not believe the information was un-

published and price-sensitive and therefore he could see no reason prohibiting Dr Swinden from buying shares in another company.

The jury deliberated for seven and a half hours but failed to agree.

Dr Swinden had denied the

two charges of insider dealing between 24 June and 1 August 1994.

These were the first charges brought under the Criminal Justice Act 1993 which gave the DTI greater powers in insider dealing cases.

"We are considering our position," a spokesman for the DTI said yesterday. A decision is expected within the week.

The DTI alleged that Dr Swinden bought shares in Seeboard, another electricity company, before a price-sensitive, confidential report by the regulator was released.

Dr Swinden had bought 2,000 Seeboard shares at 350p each out of a £15,000 bonus he had received from Eastern.

Seeboard shares rose 100p in a month after the report by Professor Stephen Littlechild, the electricity regulator, was published.

Clare Montgomery QC, prosecuting, said during the trial "Dr Swinden was in a privileged position compared with anyone who was thinking about buying shares. He knew there was good news around the corner and bought those shares when he should not have."

Professor Littlechild wrote to the directors of the 12 regional electricity companies on 24 June 1994, giving proposals for price controls. He made them public on August 11.

### The DTI's 10-year record

#### Insider dealing convictions

1998	Geoffrey Atkinson and John Hawkesby awaiting sentence this week. Convicted on 1 November of dealing in Queens Moat Houses shares.
1995	Brian Ridge fined £1,300 and costs for dealing in London Scottish Bank and Park Ford Gp.
1994	Ian Morrissey and Lorelle Staines each fined £1,500, dealing in Aaronson Bros.
1993	No convictions
1992	David Gray, 8 months suspended for 2 years, fined £5,000 and £500 costs, trading in Pleasuremax. Three other people's convictions in the same case overturned on appeal in 1994.
1991	Frederick Stabbing fined £50,000 and £500 costs, and Peter Sewell £24,000 and £5,000 costs, for trading in Carnotech. Mr Goodman 18 months imprisonment, 9 months suspended, disqualified for 10 years as director, for trading in Unigrip shares.
1990	John Henry Lukins fined £750 and £422 costs. Peter Bernard Lukins fined £500 and £290 costs, trading in shares of Pizzardi Games.
1989	Malcolm Gooding 120 hours community service, £500 costs, trading in Hawat Whiting. Nicholas Rushbrooke fined £2,000 and £750 costs, trading in Pizzardi Games.
1988	Keith Robinson fined £1,000 and £500 costs, trading in Mercantile House Holdings. John Hales fined £15,000, £1,000 costs, trading in Minet Holdings.
1987	William Reardon-Smith fined £3,000, £2,000 costs, trading in Reardon-Smith Line. Ronald Jenkins fined £10,000, £2,000 costs, trading in Stasi Brothers and British & Commonwealth. Geoffrey Collier 12 months suspended for two years, £25,000 fine and £7,000 costs.



Ian Lang: The Trade Secretary must now decide whether to pursue the Swinden case

"The professor was proposing a better deal for the companies. This was a considerable improvement upon changes which had caused the Stock Exchange shock, with the effect that millions of pounds was

wiped off the value of the shares," Ms Montgomery said. "The information Dr Swinden had was not in the public domain. The public did not have copies of the letter that he had been given," she said.

Dr Swinden denied using price sensitive information and said there was no indication whether share prices would rise or not as result of the regulator's announcement.

Comment, page 21

## United Airlines steps up attack on alliance

Chris Godsmark  
Business Correspondent

United Airlines, the world's largest carrier, yesterday stepped up its attack on the proposed alliance between British Airways and American Airlines as officials from the UK and US governments resume their "open skies" negotiations aimed at liberalising access to Heathrow airport.

The outcome of this latest round of talks, which start in London today and is expected to continue until Friday, could determine whether the US regulatory authorities will give the BA-American partnership their approval. The US government has already stated that it will only approve the alliance if the UK frees up access to Heathrow.

Cyril Murphy, United Airlines' head of international affairs, said the link-up should only be approved if American Airlines gave up the bulk of its lucrative take-off and landing slots at Heathrow.

Stepping up United's lobbying effort, he said this would mean American losing 30 slots at the airport, plus a further six at Chicago and 12 at John F Kennedy airport in New York. These would then be re-allocated to other US carriers by the American Department of Transportation. In addition, BA and American should be prevented from obtaining new slots for 5 years.

"The price should be paid by the guys who are eliminating the competition, not the guys who are being asked to provide the competition," said Mr Murphy.

The alliance would give BA and American around 60 per cent of seat capacity between the UK and US and give them a monopoly on routes between Heathrow and Boston, Dallas and Miami.

The UK competition watchdog, the Office of Fair Trading, is also thought to have called for the two carriers to divest themselves of slots at Heathrow if the alliance is to escape a lengthy probe by the Monopolies and Mergers Commission. The OFT report is currently being considered by the Department of Trade and Industry, with a decision expected in the next couple of weeks.

However a spokesman for British Airways last night insisted the company would fight any proposals to give up slots. "We see absolutely no reason why we should hand over to United our most valuable assets which we've invested very heavily in over the fifty years we've operated at Heathrow."

## British Energy rump nets £120m for Treasury

Michael Harrison

The flotation of British Energy yesterday turned out to possess a silver lining for taxpayers after all, as the Government raised £120m by selling its remaining stake in the nuclear power company.

The sale was part of a wider auction of the Government's rump holdings in privatised utilities, which raised a total of £237m to help fund the tax cuts announced in last week's Budget.

Rothschilds, acting for the Treasury, sold 81 million British Energy shares to HSBC James Capel at 147.5p a share - a near 50 per cent premium to the price at which the partly-paid shares were floated in July.

The auction also saw Dresdner Kleinwort Benson pick up 18.8 million shares in Scottish Power equivalent to around 1.6 per cent of the company.

The Treasury also took advantage of a buoyant market to dispose of small residual stakes in National Grid, Northern Ireland Electricity, Scottish

Hydro, PowerGen, Severn Trent, South West Water and Wessex Water. Most if not all of the companies that the Treasury sold shares in are vulnerable to Labour's windfall tax.

The proceeds from the sale of the Government's remaining stake in British Energy will come as a consolation to ministers after the way the original public offer flopped so badly last summer. The fully-paid shares were priced at just 20.5p - close to the bottom of the Government's target

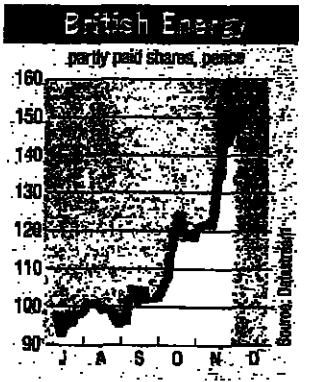
range, raising just £1.4bn for the taxpayer - some £500m short of earlier expectations. The first day of dealings turned into an unprecedented privatisation flop as the partly-paid shares crashed by more than 10 per cent from their opening price of 100p.

Since then, however, the shares have recovered to be one of the best performing stocks on the market. Last night the shares closed unchanged at 147.5p - up 47.5p on their offer price 5 months ago.

The sharp rise in the share price has led to some mutterings that the company was sold too cheaply.

However, Government sources pointed to the fact that even at the rock bottom price of 20.5p it was still left with nearly 13 per cent of the company on its hands.

More than 600,000 private investors applied for shares, leaving the public offer 2.4 times subscribed and resulting in the allocation for small shareholders being raised from 30 to 43 per cent of the offer.



## Racal moves to calm fears with news of £2bn link-up

Chris Godsmark  
Business Correspondent

Racal Electronics yesterday sought to stem shareholder discontent after Monday's disastrous profits warning by announcing an agreement to join with a rival defence contractor to bid for a £2bn British Army radio contract.

However Sir Ernest Harrison, the company's chairman, failed to discount speculation that he was considering retiring from the group he has managed for the past 30 years. Asked whether it was time for him to leave his job at the age of 70, he said: "The whole question of succession is always under review."

He declined to be drawn further on any firm plans. Sir Ernest was launching a fierce defence of his strategy after the profits warning on Monday which stunned investors and knocked 18 per cent off the company's share price. Describing Racal as a "super" company and a "tremendous success," he totally rejected accusations that the

management had been wrong-footed by delays to contracts in its Radio Communications division. He continued: "The businesses are not going wrong, they are going well."

Directors also insisted that the first time they had heard about the problems with the contracts, which would be worth some £30m to Racal's sales this year, was at a scheduled board meeting last Friday. Sir Ernest said the radio business was "more supervised than any other activity in the company."

He revealed that Racal had agreed to team up with ITT Defence of the US to jointly bid for the £2bn Bowman contract to replace the British Army's battlefield radio system. Racal had been in partnership with Siemens Plessey in a team called "Yeoman" to bid for Bowman, billed as the largest UK military communications programme ever, with ITT as the remaining rival bidder left in the race.

However both Racal-Plessey and ITT have become increasingly frustrated at delays by the

UK Government in placing the order. The Ministry of Defence recently announced that the production contract had slipped further, from 1998 to 1999.

A joint bid with ITT needs approval from the Ministry of Defence, though David Elsbury, Racal chief executive, pointed out that the Yeoman consortium had already spent £35m in research and development work. "It's difficult to be enthusiastic and support those R&D costs," he said.

However he claimed that a tie-up with ITT would give the combined operation more than two thirds of the global defence radio market, worth around £500m a year. If the MoD approves the link-up with ITT, it would go some way to restructuring Racal's radio division, which is currently the subject of a strategic review.

The news about Bowman helped Racal's shares to recover a little of the ground they lost on Monday, rising 11p to 236p. They had closed at 275p last Friday.

Racal yesterday confirmed

that its half-yearly profits had fallen by 30 per cent to £21.2m after a £10m charge for restructuring its Data products operations. The profits warning had earlier estimated that earnings for the year as a whole would be around £50m, compared with £70.4m in 1995.

However speculation that Sir Ernest is to retire would be likely to raise further doubts about Racal's long-term direction. He joined the company in 1951 as company secretary and financial accountant, gaining a seat on the board 10 years later and becoming chairman in 1966.

In the years that followed Sir Ernest became the acknowledged "king" of shareholder value, delighting investors with his demerger policy, which saw Vodafone and then Chubb, the security business, hived off into separate businesses.

After massive growth in the mobile phone market, Vodafone is now worth £7.9bn, while Chubb, with a market value of some £930m, is also worth more than what remains of Racal.

## Singer makes City debut

Patrick Toohar

He has done for *Gahway Bay* and *Danny Boy* what *Riverdance* did for jigs and reels, or *Vai Doonican* achieved with sweaters.

Now Daniel O'Donnell, the squeaky-clean and hugely successful Irish singer, has hit the right note in the City.

The easy-listening star is by far the biggest selling artist at Ritz, the music publishing group whose shares start trading this morning on the lightly-regulated Oxf market.

A placing of 1 million shares at 55p values the company at just over £10m.

Michael Clerk, the owner of Ritz who will retain a stake

worth more than £7.5m, plans to pump the new cash into promoting other acts, which include country singers Charlie Landsborough, Mary Duff and Dominic Kirwan.

But it is Mr O'Donnell who is the main attraction. Some £200,000 is earmarked to double the spending on a pre-Christmas advertising blitz for his latest chart-topping album, "Songs Of Inspiration", and a live video.

Mr O'Donnell, who has monopolised the UK country music charts since the Eighties, has a fan club boasting 35,000 members and plays to sell-out crowds across Britain and Ireland. Devotion to Mr O'Donnell borders on the messianic.

Every year thousands flock to his home in the tiny Co Donegal village of Kinacshagh, where Mr O'Donnell's mother greets well-wishers with cups of tea.

Recently a couple of fans left their home in Bristol and bought a caravan just to live near their idol.

They have seen him on stage 40 times and made 30 trips to Donegal.

Founded 15 years ago, Ritz's first big hit came in 1982 when Foster & Allen, an unknown duo, made the top 20 singles chart with *A Bunch of Thyme*.

Directors are forecasting profits of £525,000 on sales of £5.7m for the year to March 1997.

## Gilts clearing system delayed

Peter Rodgers  
Financial Editor

The Bank of England has delayed a much-improved clearing system for the gilts market from spring to late August 1997, because of the pressure put on City resources by the problems getting the Crest share settlement system up and running.

The new gilt settlement system will use Crest software. As a result of the delay, a new City market in "stripped" gilts, where the interest and principal are traded separately, will be delayed until the start of the upgraded gilts clearing system.

However, a Budget tax concession linked directly to the new strips market will take effect on 7 June, despite the delay in starting the upgraded gilts settlement system.

The Treasury concession allows all interest payments on gilts to be made gross, without tax deducted at source. This payment of interest gross is essential for the new strips market to operate.

The Bank of England said it was intended to keep open the option of merging the settlement systems for gilts and shares in future, once they were fully up and running. The Bank set up Crest, though it handed it over to a large group of City shareholders. As a first step, the two settlement systems are to use the same networks, Syntegra and Swift.

Meanwhile, Crest and the Bank are sharing information about the improvements being introduced to the new share settlement system in the light of experience with commissioning.

Crest is the first fully computerised share settlement system, and is gradually taking over from the Stock Exchange's old Talisman settlement operation.

Teething problems caused an outcry among brokers. The Crest system was on the brink of a crisis last month as pressure grew to suspend its commissioning because of delays in operation.

But a Crest board meeting last week decided to stick to the previously planned date of next April for full commissioning.

## Profit warning puts Dorling shares into dive

Magnus Grimond

Dorling Kindersley, the books to CD-ROM publishing group, saw 550m wiped off its stock market value yesterday after warning that profits would be hit by the current strength of the pound and a soft US books market.

Peter Kindersley, chairman and chief executive, told shareholders at the company's annual meeting that sterling's 9 per cent appreciation since September would cut sales by £5m and pre-tax profits by £1.6m if sustained throughout the rest of the financial year to next June.

The warning sent the group's highly-rated shares, which peaked at 645p in May, plunging to 430p at one stage yesterday, although they later rallied to end 82.5p down at 436p. Three years ago, Dorling saw its shares dive by around 100p after it said problems with a distributor would hit profits.

Yesterday's warning is just the latest in a series from British companies forecasting that their export business or the translation of overseas earnings would be hit by the pound's rise. Yesterday Siebe, Britain's biggest engineering group, said its half-year profits of £190m would have been around £9m lower if translated at current exchange rates. Around 40 per cent of Dor-

ling's sales are in the US. Although the group is establishing a sales force across the Atlantic, the group's costs are predominantly determined in sterling, so it will be squeezed if the dollar continues to be weak against the pound.

The problem is being compounded in the US by a highly competitive and sluggish book retailing market, where the group has been expanding for the past two years, and difficult trading in CD-ROMs.

Rod Hare, managing director said big publishers like Random House and HarperCollins had also been complaining recently of flat markets across the Atlantic, along with increasing levels of book returns. He believed it would be a short-term problem as retailers reviewed their stocks to obtain the highest margins. CD-ROMs were no worse than expected, he said, but there continued to be heavy competition for shelf space, while many retailers had gone into Chapter 11 insolvency.

Analysts cut their forecasts from around £20m to between £18m and £15.5m yesterday to take account of the problems. Lorna Tibbitt of brokers Panmure Gordon agreed the difficulties were short-term and suggested this was a buying opportunity for the shares.

STOCK MARKETS					
Index	Close	Day's change	Change (%)	1996 High	1996 Low
FTSE 100	4061.50	+23.00	+0.6	4073.10	3632.30
FTSE 250	4427.60	+12.80	+0.3	4568.80	4015.30
FTSE 350	2015.40	+10.20	+0.5	2022.10	1816.60
FTSE SmallCap	2161.29	+1.35	+0.1	2244.36	1954.06
FTSE All-Share	1986.29	+9.40	+0.5	1994.54	1791.95
New York	6506.42	-15.20	-0.2	6547.73	6032.94
Tokyo	20630.58	-44.13	-0.2	22666.80	19724.70
Hong Kong	13456.26	-61.30	-0.5	13593.95	10534.87
Frankfurt	2886.99	+28.38	+1.0	2886.98	2253.36

Source: FT Information

INTEREST RATES					
Short sterling	UK medium gilt	US long bond	Money Market Rates	Bond Yields	Year Ago
3M	5.50	6.50	UK 1 Month	6.03	7.52
6M	5.50	6.50	UK 3 Month	6.03	7.52
12M	5.50	6.50	US 3 Month	6.03	7.52
18M	5.50	6.50	US 6 Month	6.03	7.52
24M	5.50	6.50	US 9 Month	6.03	7.52
30M	5.50	6.50	US 12 Month	6.03	7.52

CURRENCIES					
£/\$	£/DM	£/¥	Pound	Dollar	Index
1.6520	1.6736	1.5334	Yesterday	Yesterday	Yesterday
-3.77c	-0.75	-1.5334	Change	Change	Change
1.5334	1.5334	1.5334	Year Ago	Year Ago	Year Ago
1.5334	1.5334	1.5334	1.5334	1.5334	1.5334

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'So what is going on here? Certainly it was not concern on the part of the Government that caused sterling to falter. If there was anxiety at the Treasury and the Bank of England about the pound, it hasn't showed'

## Sterling's stumble signals end of its glory days

Has the pound finally reached its high point? There was certainly reason to think this yesterday as sterling took a tumble in foreign exchange markets. Perhaps significantly, there was no particular reason for it, other than that dealers thought the pound's recent rise could no longer be sustained. So perhaps we are not, after all, looking at the great sea change hailed by some in the pound's standing - sterling as a safe haven, the next Swiss franc, and all that.

So what is going on here? Certainly it was not concern on the part of the Government that caused sterling to falter. If there was anxiety at the Treasury and the Bank of England about the strength of the pound, it hasn't showed. So far, there has been no intervention by the Bank of England in foreign exchange markets, nor has there been much comment from the Chancellor.

When you think about it, however, there is no earthly reason why he should be concerned. In the short to medium term, a strong pound is all to the good, politically at least. For a start, it means cheaper foreign holidays. Then there's that sense of national pride that springs from a strong currency. More important still, the deflationary effect decreases the pressure on Mr Clarke to raise interest rates.

The only people complaining about it were exporters. If they get hurt, then plainly that eventually affects the real economy and the Government. But there is a relatively long lag here and it seems unlikely there

would be any noticeable adverse effect in the six months left to an election. The upshot is that there is no incentive at all for Mr Clarke to do anything about a strong pound.

Moreover, there is good reason to believe that it is in any case only a temporary phenomenon. The pound is not made inherently attractive just because the Germans seem prepared to give up their strong D-mark for a softer and more volatile Euro. Meanwhile there are problems aplenty building up in the domestic economy, most urgently that of runaway consumer demand. This looks destined to bring higher interest rates with or without the strong pound. Anyone who believes the picture is going to look any better under Mr Blair is whistling in the wind; Labour is going to find it much harder to hold the lid on spending while big tax increases to correct the problem are going to be as difficult for Mr Blair as they are for Mr Clarke - they would risk stranding the new administration at birth. This is not a backdrop conducive to a strong currency of Swiss like predictability and resilience.

### Another bungle on insider dealing

Whoops. Another one bungled. The Stock Exchange typically refers two or three dozen cases of suspected insider dealing a year to securities regulators. But convictions are still as rare as summer snow. Most

of them never even get to court. This year there has been a grand total of two trials, one of which fizzled out yesterday with a hung jury. Amazingly the other produced a guilty verdict, though we do not yet know the sentence but it hardly makes much difference.

Over the years, criminal prosecutions for insider dealing have produced a lamentable record of which neither legislators nor prosecutors can be proud. The law was beefed up in 1993, but few believe that this will do much good. This is an issue that is giving ethical standards in the City a bad name, and deservedly so. As a result, there has been much hand wringing among regulators over what to do next.

The problem is that a large number of what we can only call professional insider dealers gets away scot free every year - simply because they are so good at their egregious calling. It is the occasional amateur that tends to get caught and fined.

The mystery about it is that the DTI has powers to investigate insider dealing that go far beyond those available to the police in the ordinary course of their investigations. Inspectors can trample over what are normally regarded as core civil liberties with impunity. Karen Morgan Thomas, a former stockbroker at James Capel, who was innocently caught up - through her acquaintance with Lord Archer - in investigations into insider trading in Anglia TV shares is so incensed about her treatment that she is reportedly planning to take the issue to the European courts.

This DTI tiger, which looks on paper as if it can give anybody a mauling, looks more like a kitten when you look at the record of court success, and the paltry level of penalties, with only one jailing in a decade. The conventional answer, favoured by the Stock Exchange, is to use the civil law and the regulatory system, where the burden of proof is lower, to prosecute insider trading. Reluctantly, it has to be said that the criminal prosecution record is making the exchange's case stronger every year.

### Mr Rice needs to keep on running

Victor Rice, the chief executive of LucasVarity, is a larger than life character so he should be able to take yesterday's rather perverse 6 per cent decline in the company's share price in his stride. Any man who can wear pink jogging pants into the office isn't the sort to lose much sleep over one or two stock market downgrades anyway.

The cause of the slippage in the share price was some bearish comments about the trading outlook that the usually bullish Mr Rice made at the end of a teleconference with analysts. Apparently the French have stopped buying so many diesel engine cars now that their Government has stopped bribing them to enter the showrooms.

The bigger picture is somewhat rosier,

however. Poor old Sir Brian Pearce, the group's non-exec chairman, could only spare £65m worth of cost savings in the merged business. Moreover, he gave his word as a decent chap and an ex-banker that the job losses would be few and far between such was the complementary match between the two businesses.

But the sharp-suited Mr Rice is an altogether smarter cookie. He has managed, surprise, surprise, to double the figure for cost savings to £120m after identifying 1,500 folk on the Lucas payroll who were surplus to requirements after all. In total the headcount will fall by some 8,000 once Mr Rice has finished swinging the axe elsewhere in the sleepy old world of car components and disposed of some 13 businesses (again all Lucas subsidiaries) that do not fit with the grand strategy.

Perhaps we should not be too surprised at all this. Mr Rice was brought in from Varity to do precisely this job and he has set about his task with gusto. Any pretence that this was other than an American takeover of Lucas has been firmly squashed.

The kitchen sink exercise will mean £250m of exceptional charges this year. But the flip side is that all the cost savings identified by Mr Rice will be flowing through to shareholders inside two years.

That, generally, is when mergers of this sort start to run into the ground and investors start to worry. Mr Rice will need to keep his jogging pants on.

## LucasVarity to cut 1,500 jobs in Britain

Michael Harrison

Up to 1,500 jobs are to be shed in Britain as part of a sweeping cost reduction programme unveiled yesterday by the newly merged automotive and aerospace group LucasVarity.

The job cuts are part of a rationalisation plan that will see a total of 3,000 redundancies worldwide and the disposal of a further 13 businesses employing some 5,000 people.

LucasVarity is taking a one-off charge of £250m to cover the restructuring programme but said that by January 1999 it expected to be making annual savings in operating costs of at least £120m.

The City initially greeted the news positively, marking LucasVarity shares up sharply. But they fell later in the day as dealers construed comments about weakening European demand by the group's chief executive, Victor Rice, as a veiled profits warning.

Mr Rice described the City's reaction as "dumb and stupid" and denied he had issued a prof-

its warning. All he had said to analysts during a telephone conference call was that the group's heavy-duty braking, Perkins engines and diesel fuel injection businesses had seen a slowdown in European markets.

The cost savings identified by LucasVarity are double those estimated at the time the merger was announced in September, and will come from increased productivity, the elimination of duplicated facilities and reduced overheads.

Sir Brian Pearce, Lucas's chairman, had also indicated that job losses would be few. In the event, the rationalisation programme will see the combined workforce fall from 55,000 to 47,000.

All 13 businesses being sold off are former Lucas subsidiaries. Mr Rice said the disposal programme would raise £100m at a conservative estimate and would be earnings enhancing.

The businesses being sold have sales of £270m, representing 6 per cent of group turnover. Eight businesses have

so far been identified for sale. They include two UK subsidiaries - Lucas Heavy Duty Products, which makes starters and alternators, and Lucas Industrial Components, which manufactures precision machine components - and two businesses with UK operations - Lucas Nitrotec, which specialises in metal surface treatment, and Lucas Assembly & Test Systems, which is based in Britain and the US.

The other businesses being disposed of are its Brazilian headlamp division, its Argentinian starter motor and ignition systems business, its South African starter motor and alternator subsidiary and a Greek parts importer and distributor.

Mr Rice said there was no question of selling the Lucas aerospace business, saying the combined group intended to establish leading positions in four key markets - automotive, diesel engines, aftermarket and aerospace.

He indicated, however, that Lucas's troubled US aerospace subsidiary GDS, which was the

subject of a multi-million dollar settlement with the Pentagon over falsified records, might be got rid of. Speculation that it might close Lucas's Koblenz brakes plant in Germany and Varity's Dayton Walther brakes and wheels business in the US was wrong, he said.

At the time of the merger, LucasVarity said it expected to achieve £65m in cost savings and a further £65m in tax savings over a two-year period. Of the £120m it now expects to save through greater operational efficiency, £60m to £70m will come through in the first year.

The £250m exceptional charge breaks down into £120m to cover redundancies and a one-off non-cash item of £130m, primarily to cover asset write-downs.

There would be no plant closures in the UK, although it was bearing the brunt of the job cuts, said Mr Rice. He defended the heavier-than-expected job losses, saying the forecasts were made when Lucas and Varity were still virtually separate companies, before its "transition teams" had got to work.



Victor Rice: Denied he had made a veiled profits warning

Photograph: FT

## US rivals team up on super jumbo

David Osborne  
New York

Boeing reached an agreement with McDonnell Douglas yesterday to collaborate on the development of future Boeing wide-body commercial airliners, marking a highly unusual coming together of deadly rivals.

Under the pact, which will be finalised in January, McDonnell Douglas is expected to loan several hundred of its employees to Boeing to assist with the design and testing of the proposed new models. The joint teams will work initially on the development of a new super-sized Boeing 747 jumbo jet.

The deal will help Boeing get through a capacity and manpower crunch brought about by a recent influx of new aircraft orders. McDonnell Douglas, by contrast, has suffered setbacks in its commercial jet division and will welcome a new outlet for its workforce and expertise.

"We have a record number of orders for commercial jets and several ongoing development programmes," Ron Woodward, president of Boeing's Commercial Airplane Group, said. "McDonnell Douglas has excellent design and production capability, both in people and facilities, that are not being fully utilised. We look forward to applying those resources to future Boeing wide-body airplane programmes."

The agreement is likely to spur speculation about the possibility in the longer run of an eventual buy-out by Boeing of McDonnell Douglas's commercial division. McDonnell Douglas faces an uphill struggle persuading its traditional customers that it can survive as a maker of civilian aircraft. It recently shelved plans for the development of a successor to its wide-body MD-11 airliner that had been dubbed the MD-XX.

News of the collaboration deal nudged up the stock of both companies in early New York trading, with Boeing shares rising 50c to \$98 and McDonnell shares gaining 75c to \$53.375.

### IN BRIEF

• **Troubled French state bank** Credit Lyonnais has become the subject of a criminal investigation by the Paris Public Prosecutor, who is looking into suspected fraud and the issuing of misleading information in the early 1990s. The move was prompted by the finance minister, Jean Arthuis, who asked that legal proceedings be taken against former top managers at the bank. Credit Lyonnais made losses of \$4bn in 1992-94.

• **Germany's trade surplus** grew to DM8.3bn (£3.2bn) in September from DM8.1bn in August, according to provisional figures from the Federal Statistics Office. The provisional current account deficit narrowed to DM1.6bn in September from an unrevised DM4.6bn in August. Industrial output in Germany fell a seasonally adjusted 1.8 per cent in October from September but, adjusted for the number of working days, was up 0.7 per cent from a year earlier, the Economics Ministry said.

• **Cable & Wireless** will bid with still unnamed partners to build a second full telecommunications network in Singapore. C&W said yesterday that talks were still going on with potential partners. In 1998 Singapore will award up to two additional full service licences, breaking Singapore Telecommunications' monopoly.

• **BT and MCI**, the US long-distance phone company, formally filed their merger application with the US regulator, the Federal Communications Commission. It aims to demonstrate that the UK phone market is one of the world's most competitive, answering the main FCC pre-condition to giving the deal the go-ahead. The US authorities will only approve the merger if they are convinced other US firms will have the same access to the UK market as BT will gain in America.

• **Kemwood**, the electrical appliances group under siege from rebel shareholders, yesterday played down bid speculation as it revealed a sharp drop in profits. The company said it had noted reports of an interest from rival household goods group Pifco, but no formal offer had been made. Pre-tax profits in the first half fell to £3.3m from £7.4 m.

• **The BSE scare** on beef knocked £2.5m off profits at Hazlewood Foods in the six months to September. Hardest hit was the group's delicatessen and meat division, which slumped to a £2m loss. The group is withdrawing from the commodity end of the cooked meat business and says further cost reductions will take place in the second half. Group profits fell from £16m to £11m, including a £4.7m loss on the disposal of Charles Turner, the recycled paper business.

• **UK official reserves** fell an underlying \$98m in November following a \$7m rise in October, the Treasury said. The overall level of official reserves fell by \$116m in November, bringing the end-November reserves to \$46.569bn.

• **Canover Investments** has backed the management buy-out of Camden Motors from Barclays Bank. The majority of the equity finance was provided by Canover Investments and funds under its management, with the management team, led by managing director Paul Dunkley, providing the remaining equity. Camden is the 15th largest motor retailer in the UK and operates a multi-franchise network.

• **Financial Times Information**, a subsidiary of Pearson, is to co-develop a global news service for corporate, research, government and academic customers with Dow Jones Information Publishing and Knight-Ridder Information. The London-based online news service will contain information from the major newspapers, news magazines and trade publications worldwide.

## Ernst partner earns £430,000

Roger Trapp

Nick Land, UK senior partner of Ernst & Young, was paid a total of nearly £430,000 in the year to June 1996, according to the consultancy firm's first published report and accounts.

The figures issued yesterday also show the practice's profits rose 21 per cent to £75.2m, while gross fee income rose 14 per cent to £456m. At the same time, the international firm announced worldwide revenues up 13 per cent to \$7.8bn (£4.8bn) for the year to 30 September.

Mr Land's package was made up of remuneration of £326,701, a pension contribution of £74,712 and interest on his partnership capital of £28,513. The average partner's total pay was £200,000, comprising £154,000 in remuneration, pension contributions of £35,000 and interest on capital of £11,000.

This figure was broadly similar to the amount reported for KPMG partners when that firm published its accounts earlier this year as part of its move to incorporate its audit arm. But Mr Land's pay package is dwarfed by KPMG senior partner Colin Sherman's £740,000. Though all sectors of the business had done well, corporate finance, which grew by a fifth, management consultancy and taxation had been especially strong.

Pointing out that partnership profits had actually dipped last year, to £171,000 per partner from the previous year's £177,000, Mr Land attributed the record growth to "improved market conditions and the results of a sustained process of change over the last four years". Ernst & Young is not required to publish detailed financial information, but Mr Land said disclosure fitted in with the firm's spirit of openness.

## Football clubs 'could bypass Sky'

Patrick Toohar

Two leading television executives yesterday predicted the eclipse of broadcasters such as BSkyB and sports bodies such as the Premier League by top football clubs, which owned valuable rights to screen live games, could cut exclusive pay-per-view television deals.

Greg Dyke, chief executive of Pearson Television, claimed next year's planned introduction of digital television and the soaring value of sports rights would bring "untold riches" to clubs such as Manchester United at the expense of programme distributors.

Speaking at a seminar in London on the business of sport organised by the Institute of Economic Affairs, Mr Dyke said: "It is the clubs who own

the rights who will gain, not the broadcasters. This is not television as we know it. The new television will be an extension of the gate, the club selling to the fans."

Mr Dyke attacked the hith-



Greg Dyke: Attacked the dominant role of BSkyB

erto dominant role played by BSkyB, the satellite broadcaster which recently agreed a £670m deal with the Premier League to retain exclusive rights to televise top football matches into the next century.

"BSkyB has made an enormous amount of money by being a monopoly supplier of somebody else's market. But it is an interim service using interim technology."

Mr Dyke's comments were backed up by Robin Welch, a leading figure at Dutch pay-TV group NetHOLD, who last week became a non-executive director of Caspian, the media group which owns Premier League club Leeds United.

"Sports distributors will have less of an influence in the digital era," Mr Welch said.

The outspoken comments of two senior industry figures

come as leading football clubs continue to prepare for the early introduction of pay-per-view, which is not scheduled under the BSkyB/Premier League contract until 1999.

This week it emerged that Rick Parry was quitting as Premier League chief executive to take up a similar post at Liverpool in a move widely seen as increasing the Anfield club bargaining power in future pay-per-view negotiations.

BSkyB is also keen to offer pay-per-view. Premier League football to coincide with the launch of up to 200 digital channels next year, about 60 of which will be pay-per-view sport or films. But clubs could be free to sign their own pay-per-view deals if the Restrictive Practices Court decides BSkyB's exclusive television contract with the Premier League is illegal.

## Wickes to stop expansion abroad

Nigel Cope

Wickes, the troubled DIY group, is expected to abandon its overseas operations as part of a business plan that will be unveiled in the group's rescue rights issue prospectus next week.

The decision to concentrate solely on the UK will mark the end of former chairman Henry Sweetbaum's international ambitions, which saw the company open stores in South Africa, Belgium, France and Holland as well as a conservatory business in the US.

Last year's annual report contained a statement by Mr Sweetbaum which boasted of his belief that the "opportunity exists to develop the Wickes concept around the world". It is expected that these operations will be sold to concentrate on the 120 UK stores. Wickes has 21 stores in Holland, 19 in Belgium, three in South Africa and two in France.

Next week's document will

also include the restated 1995 accounts, the results for the first six months of 1996 and a trading forecast for the rest of this year.

It is likely the group will confirm it has completed negotiations with suppliers on new terms. These are likely to cause additional provisions, which is one reason why the rights issue figure has been increased from £50m to £55m. A new non-executive director will also be announced.

The rights issue document will alert possible bidders to pore over the figures for Wickes, which include Ready Mixed Concrete and Kingfisher, which will report booming third-quarter sales figures at its B&Q DIY subsidiary today.

Analysts think the buoyant DIY market and the possibility of takeover action will prove persuasive to investors. "I think people will grumble, but cough up the cash," says Nick Bubb at Mees Pierson.

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## market report / shares

## Data Bank

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SEAQ VOLUME  
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35,507 bargains

Glits Index  
95.48 -0.15

## Share spotlight

share price, pence



## Ladbroke places its bets on the US casino market

Hopes of a US betting bonanza are beginning to inspire the Ladbroke bookmaking and hotel group, which was once viewed as a dead cert takeover victim. The shares climbed 4.5p to 208p as the stock market punted on the group's multi-million pound push into the fiercely competitive American casino business.

Ladbroke, it would appear, wants to set up casinos throughout the US, many in partnership with its new ally, Hilton Hotels Corporation. First joint venture will almost certainly be in Las Vegas.

For a long while Ladbroke was seen as a likely takeover victim. HHC was just one of many predators banded around. With Ladbroke it shares the world-famous Hilton hotel name; the UK group owns the international franchise and HHC the US operation. The betting and hotels chain was also seen as bid

fodder for the likes of Bass and a variety of international leisure groups.

Ladbroke was able to outrun the speculation and in August agreed a collaboration deal with Hilton which gave it the opportunity to participate in HHC's US gaming operations.

Bass, up 17p at 811p, is due to roll out results today. They could be accompanied by the Government's reaction to its controversial bid to buy control of Carlsberg Teltley, the struggling brewer. The view is that to get the deal through Bass could be forced to make big concessions, selling off chunks of its pub estate. One possible buyer is Michael Cannon, who recently sold The Magic Pub Co to brewer Greene King for £197.5m.

The rest of the stock market adopted a more aggressive approach, with Footsie up 23 points at 4,061.5 and the supporting indices on the up.



## MARKET REPORT

DEREK PAIN

stock market reporter of the year

The Government's utilities raid was the centre of interest. British Energy held at 147.5p as, through HSBC James Capel, Westminster unloaded 81 million shares at 146p. Other unwanted Government utility rumps were sold, helping inflate what was a rather mundane day's turnover. Seven Trent used the Westminster sale as an opportunity for a buyback, picking up 2.5 million shares from ABN Amro Hoare Govett which had acquired the stock from the Government. Hoare sold on the shares at 66p against a 668.5p closing price.

Associated British Foods gained 6.5p to 452p. A special

dividend from its Australian offshoot prompted the interest.

LucasVarity was the worst-performing blue chip, suffering a 16.5p fall to 234p as it provided details of its restructuring which carried an implied profit warning.

Racal Electronics managed to survive its profit setback with an 11p gain to 236p and Pilkington, the glass group, continued its recovery, firming to 153p.

Oils were buoyed by the Santa Fe North Sea deal. Norway's largest independent oil group, Saga, is paying \$1.23bn for the Kuivalt group's North Seas interests. Such a deal

clearly casts a beneficial light on other North Sea assets. But, the old adage it is better to travel than arrive was again evident with the likes of British Petroleum, Enterprise Oil and Lazard giving ground.

Dorling Kindersley provided the shock of the day, citing the strength of the pound for a profits warning. The shares slumped 81p to 437.5p, dragging down such groups as Pearson, off 8.5p to 729p.

House of Fraser, the department store chain, was drawn back into the takeover spotlight, gaining 4p to 166p. Barcom, a coal services and plant hire group, gained 3p to 52.5p as it pushed profits to £2.71m from £652,000. The group has been reshaped by Doug Rogers, no stranger to turn-around situations.

Rage Software, the computer games group which used to be called BCE, held at 11.25p. A long-standing shareholder,

Rose Noble, has lowered its interest and now has nearly 24 million shares, 9.84 per cent of the capital. Rage has indicated it is in talks with publishers and there are stories it could forge a link with Virgin. The shares were 23p a year ago.

Trocadero, the London leisure complex, held at 51p. Some believe this Burford spin-off could be the subject of a Japanese bid.

Brumfield Aggregates was another drawn into bid speculation. There are stories the company, which has been haunted by a threatened boardroom party, could have attracted the attention of Bardon, itself a long-standing bid target. The shares rose 2p to 25.5p. Takeover hopes lifted Lamont, a textile group, 5p to 191p.

Larion, a personnel group, is launching a £18.5m placing and open offer. It is paying £14.5 for two resourcing companies. The shares held at 344p.

## Taking Stock

Chieftain, an insulation supplier, firmed 5p to 57.5p. Its highest bid action could soon materialise.

The group, after a difficult run, is now trading well and interim profits suggested it was well on its way to hitting £500,000 for the year, which would represent a £1m-plus swing. The shares were 18p in January.

CNC, a property group, is another which could be destined for bid action. The shares held at 7.25p, although there is talk the company has received and rejected a bid at 9.5p.

The group used to be a confectionery maker called Clarke Nickolls Coombs. It moved into property, changing its name after gaining control of Brightmore Properties in a £9.2m deal.

superb

Stad wa  
like a bre  
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Company Acc

Stock	Price	Change	Volume
Alcoholic Beverages			
Banks, Merchant			
Banks, Retail			
Engineering Vehicles			
Extractive Industries			
Food Manufacturers			
Food Distribution			
Health Care			
Household Goods			
Insurance			
Investment Trusts			
Leisure & Hotels			
Media			
Oil, Integrated			
Oil, Exploration			
Other Financial			
Pharmaceuticals			
Printing & Paper			
Property			
Retailers, Food			
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# Superb management skills push Siebe profits higher

## THE INVESTMENT COLUMN

EDITED BY MAGNUS GRIMOND

Siebe, Britain's biggest engineering group, has proved its management skills in spades over the past few years and has also shown it is no slouch at acquisitions. This year's £520m deal to buy electronic controls group Unitech is already proving well up with expectations.

A substantial chunk of the 32 per cent rise in profits to £190m for the six months to September was the result of a maiden five-month contribution from Unitech. The power supply converter group chipped in £21.3m to group operating profits, which rose from £166m to £216m in the period. Unitech's underlying 12 per cent rise was impressive against the background of a still-depressed semiconductor industry, which, with telecoms, accounts for around a fifth of sales.

Siebe believes the electronics market is at last on the turn, although it may take 18 months to return to the heady days before last year's collapse in prices. Any further damage to sales caused by the weak yen should be more than made up by synergy benefits and cost savings, still on course to deliver £15m in a full year, with close to 1,200 people expected to be taken out of the business this year.

Meanwhile, Foxboro, an earlier

purchase, continues to sparkle. Its U/A process control systems for managing large plants such as oil refineries and chemical plants has seen its market share more than double this decade and now stands just one percentage point behind market leader Honeywell.

But the real story at Siebe remains management. Having built world-beating positions in industrial and consumer appliance control equipment, sales have grown ahead of the market, which, combined with relentless cost-cutting, has pushed group margins from 13.8 to 14.7 per cent in the six months.

Bettering that will be tough, but Siebe is rolling out an ambitious and pioneering project, dubbed Six Sigma, to slash manufacturing defects from typical levels of 5,000 per million units of output to little more than zero. This US concept, already being used by Motorola and Texas Instruments, could deliver net benefits of around £50m in two to three years' time.

Apart from Europe, most of Siebe's markets are growing, with the controls business alone quoting for business worth £1bn. The only cloud is the potential translation impact of a strong pound, but on unchanged forecasts of £430m for

the full year, the shares, up 10p at 950p, deserve their forward rating of 18. A firm hold.

### Wessex shares remain steady

Wessex Water's interim results yesterday seemed strangely low key after its two-way struggle to take over neighbouring South West Water earlier in the year. With Wessex and rival bidder Severn Trent now effectively prevented by the Government from ever buying rivals, the question on shareholders' minds was what the water groups would do with their cash mountains. Severn Trent led the way yesterday, buying back 10 per cent of its shares. However, in typically conservative fashion, Wessex Water, which has net cash in the bank of £75m, said it had still not made up its mind how to hand back money to investors.

Reading between the lines, the

likelihood is that there will be some kind of buyback or special dividend, coupled with earnings-enhancing acquisitions in the unregulated waste management businesses before next spring. But shareholders will have to wait for the details.

In the meantime, yesterday's half-yearly results were pretty much what

analysts had expected, emphasising the stock's enduring quality as an uninspiring "hold". Pre-tax profits in the six months to the end of September rose by 10.4 per cent to £75.5m, while turnover increased by a strong 7.1 per cent to £128.9m. However earnings from Wessex's 50 per cent owned waste management

operation grew by just £0.2m to £5.2m after a collapse in prices of recycled paper. The 14 per cent rise in the interim dividend to 5.7p was at the lower end of the range for recent water company announcements.

Profits for the full year should reach £144m and be accompanied by a 14 per cent rise in total dividends to 17.3p, giving a forward yield of 6.1 per cent, with the shares down 1.5p at 352.5p. There should be organic growth in the waste business, but investors should look elsewhere for real excitement.

### Marston faces three problems

Marston, Thompson & Evershed had a reputation as a steady regional brewer until its surprise purchase of the trendy Pitcher & Piano bar chain in the summer. The £20m price tag, which worked out at £2.2m per outlet including development costs, had analysts spluttering in their pints.

Yesterday's results were the first to include a contribution from the purchase, although group profits just edged ahead 5 per cent to £14.7m in the six months to September.

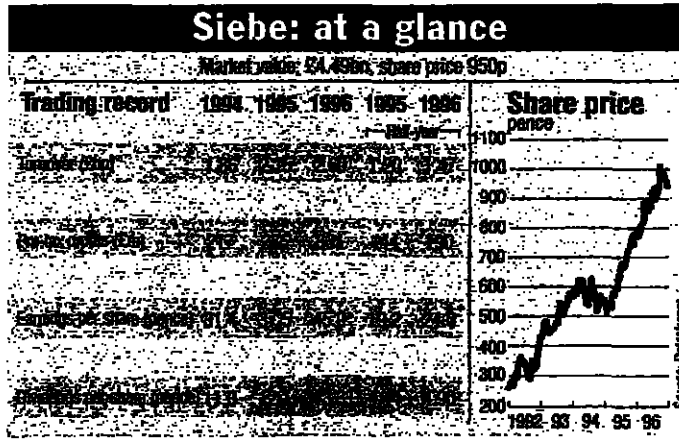
There are eight Pitcher & Piano

outlets, with 11 to open next year and 15 more in each of the following two years. Management says the chain is trading ahead of expectations, with like-for-like sales 16 per cent ahead, driven by better margins and tight cost controls.

But making the Pitcher & Piano deal pay its way is just one of Marston's problems. Its core Pedigree cask ale has been hit by the decline in the sector caused by the rise in popularity of the smooth and creamy nitrokey beers such as Caffrey's and John Smith's Extra Smooth. Pedigree's volumes were down by 8 per cent in the period in a sector off 10 per cent. Pedigree's own nitrokey version, Bitter Smooth Brewed, has only partly limited the damage. Sales of Pedigree's Draughtflow cans have also suffered.

There also seems to be a problem in the managed part of Marston's pubs estate, where like-for-like profits grew by only 1.9 per cent against the 7 in 8 per cent being enjoyed by the brewing majors.

Marston's shares have fallen sharply since their 352p high in May. Down a further 5.5p at 276.5p yesterday, and with analysts forecasting full-year profits of £28.6m, they trade on a forward rating of 12. A justified discount to the sector.



## US fad wafts in like a breath of stale smoke

### PEOPLE & BUSINESS

Peter Rosengard, the life assurance salesman who founded the Comedy Store in London, is at it again. This time he's founded what he claims is the capital's first cigar-smoking club, called The Havana Room.

The idea comes from the US, where all sorts of Hollywood starlets have decided that cigars are for the young and hip, rather than just the old and rich.

Mr Rosengard says he held a party at the trendy Soho club Groucho's last week to launch The Havana Room. "We flew in a cigar roller from Cuba called Carlos for the occasion," he says.

"We auctioned the first cigar he rolled, and it went for £500. Then we decided to give the money to Carlos. His interpreter said Carlos gets paid \$10 a month back in

Midland introduces its revolutionary Supermarket Trolley Account, you read it here first.

An anonymous employee from Birmingham Midshires Building Society, which is proud of its mutuality, has phoned me to say the society's mission statement has just been changed - with sinister implications.

"The statement used to say our aim was to be the number one building society by 2001. The new statement says that we will be the one to beat on business performance by 2001. Nothing about building society. So are we going to convert to a PLC? After all, we've already got a banking licence through our Western Trust subsidiary."

Obviously Birmingham Midshires's staff need reassuring. Dangerous things, mission statements.

NatWest Group has appointed Achil Racov to the role of chief information technology officer, and according to the former IT consultant, it's not a moment too soon. While Mr Racov has sorted the computer systems at Ulster Bank, Coutts South Africa and NatWest UK, his new role gives him a unique headache.

Two big problems face IT people at the moment. The first is programming computers to handle the year 2000, since computers operate on the last two digits and may throw a wobble if presented with "00". Second, the same systems have to be rejigged to deal with EMU.

As for 2000, Mr Racov says: "We started very early on that one. As for EMU, its rules have not yet been clarified by the authorities. It would be very dangerous, however, if EMU and 2000 happened at the same time."

Since the first wave of EMU is scheduled for 1999, and schedules tend to slip, it sounds like Mr Racov and his 5,000-strong army of IT techies at NatWest will have their work cut out.

Speaking of EMU, Salomon Brothers in London has landed a very big fish to help in its preparations.

Dr Gunther Thumann, who was a senior economist for the investment bank in Frankfurt two years ago before he joined the German Ministry of Economics, is coming to London to head up its EMU research project.

The doctor was one of Germany's representatives on the European Monetary Committee. At least someone knows what it's all about.

John Willcock



New image: The young and hip have turned to cigars

Cuba, so that was equivalent to eight years' income."

This tale sounds like something from the 1980s - proof that the pre-election boomlet is gathering steam.

To the equally trendy Kings Head theatre pub in Islington, north London, for Midland Bank's pre-Christmas press party.

Mark Searles, head of marketing at Midland, decided to hire five comedians from the Comedy Players to provide *Whose Line Is It Anyway?*-type entertainment.

Mr Searles got more than he bargained for, however, when Steven Frost (the large, balding comedian from the Carling Black Label adverts) was chosen to play him on stage. Mr Frost's task was "to invent a brand new financial product". He eventually hit on a bank account based on the pound coins you insert in supermarket trolleys to release them. "We'll pay you 10 per cent interest when you return the trolley," declared Mr Frost, aka Mr Searles. The Midland man took this merciless ragging in good spirit. Remember, when



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	Turnover £	Pre-tax £	Dividend
Halford's Foodstuffs (F)	386.5m (391.2m)	11.4m (16.1m)	3.09p (5.12p)
Kerrison Appliances (F)	97.8m (97.3m)	3.22m (7.4m)	4.5p (11.3p)
Marston Thompson (F)	91.3m (96.1m)	14.69m (13.94m)	13.17p (11.19p)
Marston Thompson (F)	123.1m (98.3m)	4.77m (5.18m)	4.69p (4.29p)
Marston Thompson (F)	88.73m (91.61m)	-1.49m (-21.3m)	-0.50p (-7.24p)
Marston Thompson (F)	602m (503.2m)	21.2m (20.1m)	4.78p (7.09p)
Racal Electronics (F)	1.47m (1.2m)	190.4m (144.2m)	24p (19.2p)
Siebe (F)	128.9m (120.3m)	75.5m (66.4m)	22.1p (20.1p)
Wessex Water (F)			5.7p (5p)

(F) - Full (H) - Half

http://www.laphroaig.com

# Warne destroys West Indies

**TONY COZIER**  
reports from Sydney  
Australia 331 & 312-4 dec  
West Indies 304 & 215  
Australia win by 124 runs

They have been more disciplined, considerably sharper in the field and palpably more confident than the West Indies and their margin of victory

In a letter to members, Caffyn responded to criticism that Sussex did not provide help and rehabilitation for the fast bowler. Sussex took the decision to sack Giddins two days after he was found guilty of taking cocaine and banned for 19 months by the Test and County Cricket Board, and Caffyn said: "There is no way that a bowler of Ed's

Chanderpaul and Hooper made them quickly reassess the situation. Chandernaul's

Once play resumed there was nothing to stop Australia's advance. Hooper, breezing along in Chanderpaul's slipstream before the interval, was becalmed to the extent that he could only add 10 in an hour before Michael Bevan, Warne's left-arm equivalent, deceived him with a bouncing googly that Taylor caught at the second attempt after flicking it up with deft footwork. The lower order had no answer to the baffling spin of Warne and Bevan and the Australians were celebrating well before the tea break.



England's John Crawley is in a match against Mashonaland

# Frustra

reports from Canberra  
ACT 216 & 320  
England A 408 & 123-5  
Match drawn

The tourists, who faced a victory target of 129 in 15 overs, finished just six short, on 123 for 5, to be denied their sixth successive victory. Resuming on

Garrity was given support from Darryle Macdonald (28) and David Thornton (23) before the England captain, Adam Hooliaks, ended their second in-

**ACT - First innings** 216 (P J Solway 59; P M Such 5-29).

D J McDonald c Giles b Such	2
M B Robinson b Giles	2
W J Greiner c Hagg b Chapple	2
B J Smith b Harris	2
D J Thornton low b Hollocke	2
E A Meacham not out	2
<b>Total (127.3 overs)</b>	<b>132</b>
Falls: 1-08, 2-11, 3-18, 4-100, 5-161	
6-209, 7-251, 8-272, 9-339	
10-380, 11-400, 12-410, 13-410	
40-1; 39-1; 47-27.3; 55-14; 72-14-3-10	
Giles 23-2-67.1; Hollocke 11.1-1-24-10	
Vaughan 2-0-0-12-0	
<b>England's Second Innings</b>	
M A Butcher run out	0
*A J Hollocke c Harris b Smith	1
C White c Harris b Smith	1
D J Smith low b Thornton	1
A McGrath run out	1
M P Vaughan not out	1
T W Higgs not out	1
<b>Total (45.25 overs)</b>	<b>132</b>
Falls: 1-12, 2-38, 3-56, 4-65, 5-94	
Del Moe Back 6-9; Giles, G Chapple, A Smith	
England 68-1-0-82-1; Smith 3-0-58-2	



# Frustrated England A go close

reports from Canberra  
ACT 216 & 320  
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Match drawn

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D J Thornton low b Hollocke	2
E A Meacham not out	2
<b>Total (127.3 overs)</b>	<b>132</b>
Falls: 1-08, 2-11, 3-18, 4-100, 5-161	
6-209, 7-251, 8-272, 9-339	
10-380, 11-400, 12-410, 13-410	
40-1; 39-1; 47-27.3; 55-14; 72-14-3-10	
Giles 23-2-67.1; Hollocke 11.1-1-24-10	
Vaughan 2-0-0-12-0	
<b>England's Second Innings</b>	
M A Butcher run out	0
*A J Hollocke c Harris b Smith	1
C White c Harris b Smith	1
D J Smith low b Thornton	1
A McGrath run out	1
M P Vaughan not out	1
T W Higgs not out	1
<b>Total (45.25 overs)</b>	<b>132</b>
Falls: 1-12, 2-38, 3-56, 4-65, 5-94	
Del Moe Back 6-9; Giles, G Chapple, A Smith	
England 68-1-0-82-1; Smith 3-0-58-2	

## St Helens arrange game at Anfield

St Helens will spread their gospel to the football end of Merseyside next season by playing a Super League match at Anfield. Last season's double winners will stage their home match against Castleford on 27 April at Liverpool's ground in an attempt to turn the city on to rugby league.

"We are a Merseyside club and we are coming to the capital of Merseyside hoping to convert people to rugby league for their summer break," said the Saints chief executive, David Howes. "We are sending out a message that we want to become a regional side. We see this becoming an annual event, although there is no hidden agenda of

Saints hope an attractive fixture on a weekend without Premiership football will pull in potential fans from Liverpool as well as their own average support of 10,000. It will be the first league game that Anfield has hosted, although there were more than 17,000 at the ground for the Charity Shield between Wigan and Widnes in 1989 and 20,000 attended the World Cup Challenge between Wigan and

Saints' Great Britain full-back Steve Prescott, who played football there as a schoolboy before concentrating on his rugby career, predicted that he and his team-mates would thrive on the atmosphere at Anfield. "Most of the Saints players are Liverpool fans and I think everyone will enjoy playing


Liverpool's chief executive, Peter Robinson, is also looking forward to the match. "We are delighted to have this close link with St Helens," he said. "They have shown themselves to be an extremely progressive club."

Saints welcomed their new signing from the Auckland Warriors, the prop forward Julian O'Neill, who was taken from Manchester airport to Anfield to take part in the launch.



# INDEPENDENT FANTASY FOOTBALL

LATEST RESULTS AND TOP 50 TEAMS



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## TOP Fifty LEAGUE TABLE

CALCULATED ON MATCHES PLAYED FROM 17 AUGUST - 24 NOVEMBER

POS.	NAME	TEAM	POINTS
1	Mr John Cox	Sussex FC	441
2	Mr S A Scott	Foreign Backbone	441
3	Ms C M Down	The Dark Horse	434
3	Mr Andrew Burham	Wimbledon Stupid Heads	434
5	Paul Richardson	Chickens Storm	433
6	David Robinson	Double D	433
7	Mr J. McCryston	Week Two Stray	432
8	Ian Boyle	431	
9	Adam Hogg	Bright Stars	431
10	Mr David Ashton	TG Lodgers	429
10	Mir S King	Crossing Alexander	429
12	Mr C Britton	Maple Mousse E	429
13	Mr P Srai	Dennis Boys	428
13	Mr D J Robinson	Tank for England	428
16	Mr S. Wells	The Millionaire	427
16	Mr M Dewes	That's Handy Hardy	427
18	Mr J M Sale	Jazz Cats	426
20	Mr Chris Scott	Bruce Lee FC	425
20	Mr G Lake	Basement of Fear	425
22	Husan Sakary	I'm off to France United	424
23	Peter Francantoni	Kiss Me!	424
23	Mr R Northcroft	I Know Your Wife	424
24	Mr S Lawrence	Top's Little Prince	423
25	Mr Steven Hart	Kees Cowboys	423
26	Keith Wagon	Rennetery Obsession	423
26	Mr D. Edmondson	Edmo United	423
28	Steve Payne	Monsieur Hockey	423
30	Jake Gibbons	Champagne Supernova	422
30	Mr Paul Glazdard	Chicagoland Badboys	422
32	Scott Lynoff	Hoo Ha Serenaders	422
33	Mr Steve Prohm	Nix Entering Enemy	421
37	Mr M Crosland	Oaney C. Lyons	421
37	Francis Henderson	Scandinavia Centre	421
37	Andrew Boyack	Great Old Deed	421
40	Nick Knight	Knight's Own Men	419
40	Graham Mur	Clean Sheet FC	419
45	Andrew Clark	Clark United	419
45	Joe Cahill	The Fat Lady Sings	419
45	Paul Hooker	Nothin's But	419
49	Mr P Srai	Dundin is the Best	418
49	Steve Shipley	See America, Independence	418
49	Mr R Jones	RJ Three	418
49	Mr S Lawrence	Sevens Kingsmen	418
49	Mr S Woolley	Independent Boys	418
49	Barry Lee	Lee Krazy	418
49	Simon Council	Top Boys	418

**THE INDEPENDENT**

Today we publish the latest results in our Independent Fantasy Football game, supported by Philips Energy Saving Light Bulbs.

The Team Market and Scores table published below shows four scores. The Week 16 (Wk 16) column lists all points scored in matches played between Monday 25 November - Sunday 1 December inclusive. Column B lists all points scored before the transfer period. Column A lists all points scored after the transfer period. The Overall (Ov) column lists the total amount of points scored in all matches played from Saturday 17 August - Sunday 1 December.

Also published today is the Top 50 League table (see left). It lists the overall top scoring Independent Fantasy Football managers and their teams for matches played between Saturday 17 August - Sunday 24 November.

**INDEPENDENT ON SUNDAY**

Results will be published every Wednesday in The Independent for all games played from the previous Monday to Sunday inclusive. They will also appear the following Sunday, in the Independent on Sunday. The overall Top 50 League table will be printed every Wednesday and again on Sunday. Terms and conditions are as previously published and are available upon request.

**SCORING SYSTEM**

4 points for a goal ■ 4 points for a goalkeeper/defender clean sheet ■ 3 points for a successful assist ■ 1 point when a player is selected and plays ■ 1 point for a winning goal ■ 3 points for a manager win, 1 point for a draw ■ Lose 1 point for a yellow card ■ Lose 3 points for a red card

**MONTH 3 PRIZEWINNER**

Congratulations to our third month's winner Paul Morris, from Omagh, County Tyrone who has scored 130 points with his team Bedrock City. He has won a pair of tickets to see England v Italy on 12 February 1997. The third month's prize is for matches played between 28 October - 24 November.

## TEAM MARKET AND SCORES

OVERALL SCORE CALCULATED ON MATCHES PLAYED FROM 17 AUGUST - 1 DECEMBER WEEK 16 SCORE CALCULATED ON MATCHES PLAYED FROM 25 NOVEMBER - 1 DECEMBER

CODE	PLAYER	TEAM	POINTS	VALUE
			Wk 16	A O V (Est)
<b>GOALKEEPERS</b>				
300	Seaman	ARS	0	30
301	Bouchie	BLA	0	19
302	Adams	CHE	0	21
303	Shuttleworth	COV	0	22
304	Ogilvy	COV	0	22
305	Folan	EVE	0	15
306	Murray	LEE	0	26
307	Martin	LIV	0	27
308	Houli	DER	0	24
309	Shields	NEW	0	27
310	Smith	MID	0	22
311	Criswell	NOT	0	19
312	Whitby	NOT	0	10
313	Prattman	SW	0	24
314	Corrie	SUN	0	26
315	Walton	TOT	0	26
316	McKillop	WH	0	10
317	Sullivan	WH	0	10
<b>DEFENDERS</b>				
400	Dixon	ARS	1	48
401	Whitehouse	ARS	1	48
402	Boyd	ARS	1	36
403	Adams	ARS	1	36
404	Keweenaw	ARS	1	43
405	Stanton	ARS	1	35
406	Southgate	ARS	1	35
407	McGrath	DER	1	7
408	Whitby	AV	1	36
409	Berg	AV	1	17
410	Le Sans	BLA	1	36
411	Handy	BLA	1	17
412	Kane	BLA	1	17
413	Paterson	CHE	1	26
4				













**Long-range view**  
Keith Elliott visits the  
Bisley gun shop, page 26

**sport**

**Saracen Pienaar**  
Chris Hewett on a coup for the  
London club, page 26

# Henman enjoys an embarrassment of riches



Henman: £2,500 a minute

## Tennis

ADRIAN WARNER  
reports from Munich

Tim Henman earned £2,500 a minute yesterday as his outstanding year continued with a 6-3, 6-3 defeat of Michael Stich in the first round of the Grand Slam Cup in Munich.

Henman, who earned a place as a reserve at the tournament by reaching the Wimbledon quarter-finals and was then handed a chance to play after late withdrawals, picked up £160,000 for his win. In just 63 minutes,

the 22-year-old Henman made more than twice his earnings for the whole of last year.

"Don't get me wrong. I prefer to have the money than not have it, but it's not the reason why I play the game," he said. "I've always said it's more my hobby than my occupation. It's nice to play in a tournament like this where there are obviously huge amounts of money at stake. But I don't think the way I played today was as if I was just focused on the money. I was just happy to get on with things."

At 29 in the world rankings, Henman is 13 places below the

28-year-old Stich and has nowhere near his opponent's experience, yet he completely outplayed him. The German has not only won Wimbledon, but has been runner-up at the US Open and only this year was the best on the ATP tour.

"I was very pleased. I hit with Jim Courier yesterday for an hour and a half. That was the first time I had played in two weeks so to come out and hit the ball as well as I did today was a big bonus. It was sort of a nice surprise for me," Henman said.

"I wanted to try to concentrate on my own serve. The first

couple of games I thought were important, then I started to create a few opportunities on my serve and then I took them. I feel great."

Stich, who has been hampered by injuries throughout the season, said: "I am not complaining. I am glad I played. Tim was very good, he didn't have a lot of mistakes. He gave me a hard time."

Henman went on court yesterday without a trace of nervousness. He had not hit a ball in earnest since beating Greg Rusedski in the final of the British National Cham-

ionships at Telford more than two weeks ago, yet he played as if he had never been away. It was his most impressive victory since beating Yevgeny Kafelnikov, the French Open champion, in the first round at Wimbledon in June.

However, a month ago he was not even a reserve for this event which consists of the 16 players who have done best in the four Grand Slam tournaments during the year. Henman, having reached the last eight at Wimbledon and the last 16 at the US Open, was in 20th place. Then Thomas Muster and

Stefan Edberg withdrew, leaving Henman as second reserve. And it was only Monday that Henman learned he was in the tournament proper following further withdrawals by Americans Pete Sampras, Michael Chang and Todd Martin.

Henman might count himself fortunate, but he took his chance well, playing with increasing confidence both from the back of the court and at the net. Even when he double-faulted on his first match point at 5-3 in the second set, Henman did not lose his cool. He merely forced Stich to hit a forehand

over the baseline to reach match point again and then hit a service winner to end the contest.

Henman's opponent in the second round tomorrow is Mali-voi Washington, who beat the reigning Wimbledon champion, Richard Krajick, 6-1, 6-2. The American is one of the fastest movers in the game but Henman will not lack confidence as he beat Washington 6-3, 7-5 at the Nottingham tournament on grass in June.

**GRAND SLAM CUP (Munich) First round:** Tim Henman 6-3, 6-3 M Stich; Andre Agassi 6-2, 6-2, 6-2 J Rusedski; Andre Agassi 6-2, 6-2, 6-2 J Rusedski; Andre Agassi 6-2, 6-2, 6-2 J Rusedski.

**France's heroes, page 25**

# Gough's Rangers playing for pride

## Football

PETER JARDINE  
reports from Auxerre

Richard Gough wants to bow out as a winner in Auxerre tonight as he makes his final fling with Rangers in European competition. Gough is desperate to chalk up one more victory in Europe as Walter Smith's depleted side bid goodbye to the Champions' League.

The 34-year-old captain is poised to leave Ibrox at the end of the season and is fighting against a leg injury to make what could be his last appearance in Europe. "This will be my last match in the Champions' League, my last in Europe for Rangers and probably my last in European competition," said Gough, who has been linked with moves to Sheffield Wednesday and Southampton.

Despite the fact that £13m worth of talent is back home in Glasgow - Brian Laudrup, Joachim Bjorklund and Jörg Albertz are injured and Paul Gascoigne suspended - Gough is convinced Rangers can claim their second £500,000 UEFA win bonus. "We are playing for pride again," Gough said. "People are making a lot out of the players who are missing but those who came in against Grasshopper in the last match did well and can do so again."

Rangers are out of the quarter-final running after four opening defeats but Guy Roux's Auxerre, who will be backed by a 21,000 capacity crowd, need only a draw to complete their Champions' League fairy-tale.

"We can still affect who goes through and I still see it as an important match," added Gough, who took a knock in Sunday's 3-0 win at Aberdeen. "We must meet the challenge and not let ourselves drop from the recent good run we've had."

Gough has known highs in Europe since arriving at Rangers from Tottenham in October 1987, as well as lows in Athens, Turin and Zurich over

the past three seasons. In the spring of 1988 he scored against Steaua Bucharest at Ibrox in a European Cup quarter-final before Rangers lost 3-2 on aggregate, but it was in 1992-93 that he led the club to one of their best Continental runs.

Gough captained the side on a 10-match unbeaten sequence as Marseille pipped them for a place in the European Cup final against Milan. "Richard has been tremendous for us over the years and obviously that doesn't just apply to Europe," said Smith, the manager at Ibrox.

While Gough should make it, Smith's selection has other doubts, given the absence of so

many top names. Trevor Steven, usually in a Scottish television studio on European nights, is a candidate for a starting place after only six full league games in the last 18 months. The youngster Greg Shields should also play.

Jan Ferguson, Charlie Miller and Derek McInnes are pushing for midfield places but Smith will not be tempted to give Alan McLaren his first game in six months. McLaren has been out since the Scottish Cup final last May because of knee surgery. He will be on the bench at best.

"I've not even had a reserve match yet and the first game is the real test," said the Scotland defender. "I've a bit to go yet and hopefully by the end of December I'll have played four or five reserve games and be pushing for a place. I'd love to face Celtic on 2 January as I made my Rangers debut in an Old Firm game."

Smith's target tonight is another victory after Rangers broke their duck with a 2-1 home success against Grasshopper last month.

Auxerre have selection problems of their own with almost half the team that won 2-1 in Glasgow in September likely to miss out. Taribo West is suspended while injuries will deny Roux the services of goalkeeper Lionel Charbonnier, Thomas Deniaud, Sabri Lamouchi and Christian Henna.

Although a draw would allow Auxerre to go through, leaving Grasshopper and Ajax to contest the other place in Switzerland, Roux says that he fears Rangers might hand over the £500,000 win bonus to their players as an incentive.

Meanwhile, Smith has had more talks with agents in his bid to bring the Chilean striker Sebastian Rozental to Ibrox from Universidad Catolica.

## Eriksson at Blackburn

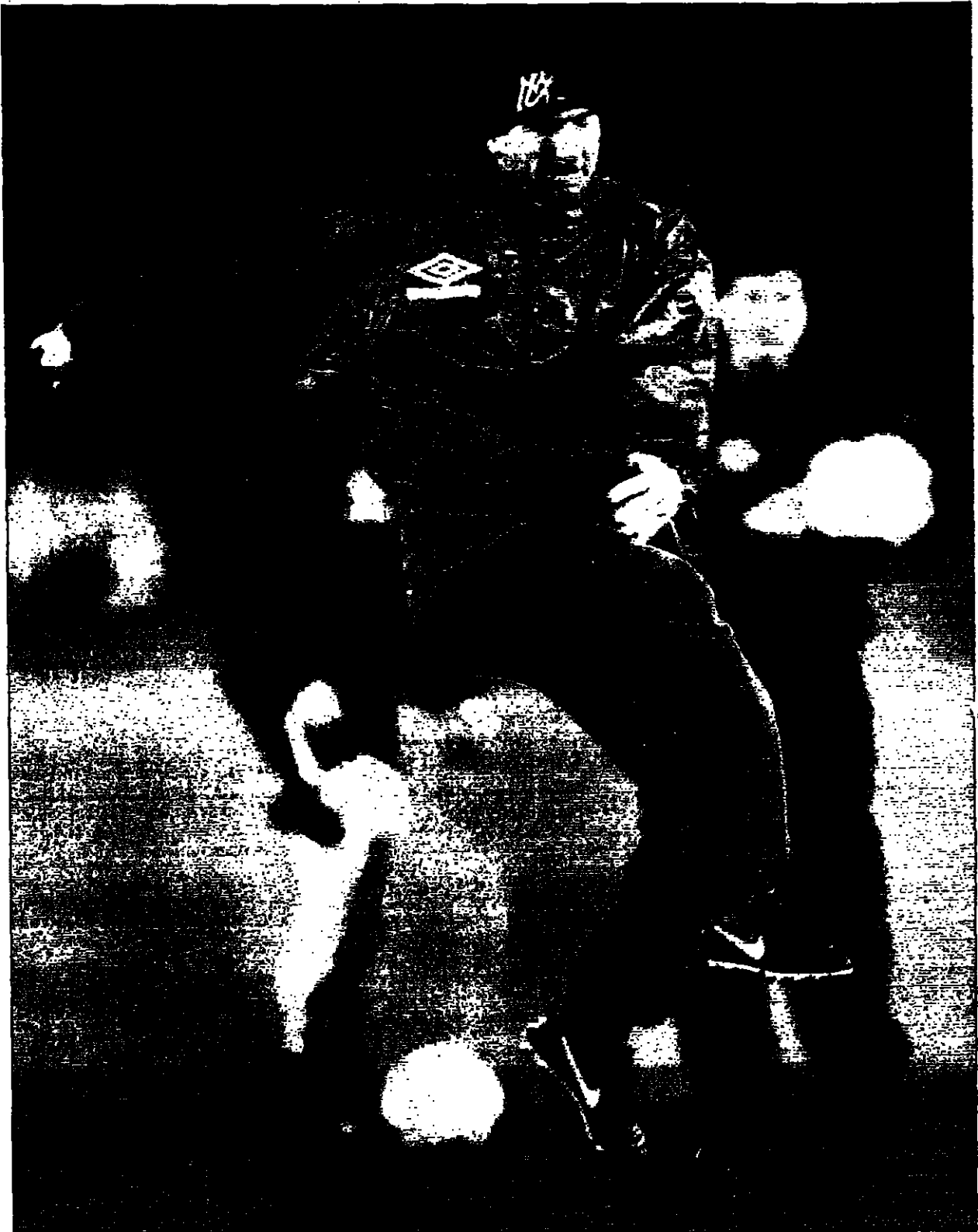
Sven-Goran Eriksson, the Swedish coach of Sampdoria, has made a secret trip to Blackburn Rovers and is ready to take the manager's job in the next week, writes Alan Nixon.

Eriksson was shown around Ewood Park by the Blackburn chairman, Robert Coar, on Monday afternoon. He was also given a guided tour of the club's training ground on a trip organised by Jack Walker to prove to him that Rovers mean business.

Blackburn think they have sold their ambitious club to the highly rated coach and have offered him a £500,000-a-year

salary and £20m to spend. Eriksson will now try to accelerate his departure from Sampdoria, where he still has six months of his contract to serve. However, Blackburn insiders believe that the Swede may even be in charge as early as next Monday. Rovers want him to join them soon as they are aware that Lazio and Ajax are also interested in him.

Blackburn's caretaker manager, Tony Parkes, who does not want the job on a permanent basis, has been kept informed of developments and is likely to stay in a leading post.



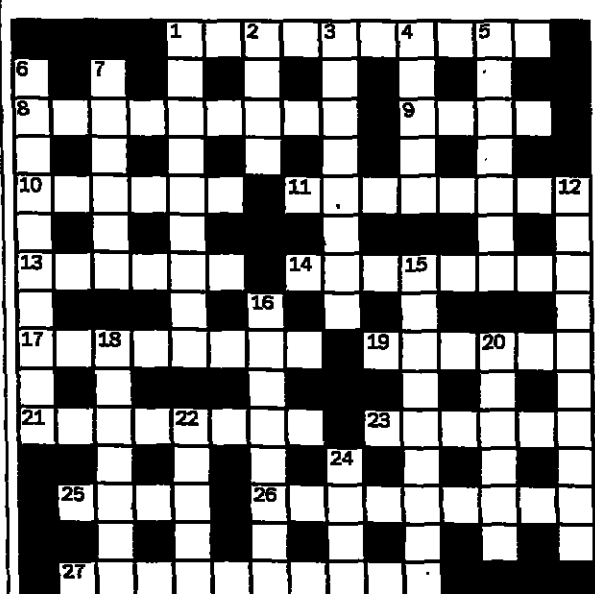
Manchester United's Eric Cantona becomes acclimatised to conditions in Vienna during yesterday's training session before tonight's vital Champions' League match against Rapid Vienna. Glenn Moore, page 37; photograph, Empics

## THE INDEPENDENT CROSSWORD

No. 3161, Wednesday 4 December

By Aquila

Tuesday's Solution



GOATEE FIDELITY  
A L G S N I D A  
DELIGHTED GLOOM  
A E B O I H L M  
BUBBLE RAILLINE  
O E A S M  
UPSET DECEMBER  
Y E E I O H  
LIBRETTINO GOSPEL  
D K E A T E  
FLUENT FOUNTAIN  
O E N T E R O B  
CLAMA INCENTIVE  
A N L V I A N N  
MEASLES FLIGHT

- ACROSS**
- Fittingly, big waves from perambulators (10)
  - Diamonds, perhaps, as junior fashion? (5,4)
  - Born leader has changed party (4)
  - Swarm has a limit (6)
  - Introductions to Chopin's works, for example (8)
  - Character of O'Neill's cinema production (6)
  - Riding-master oddly against the current? (8)
  - Can rouse into being lusty when taken from bed? (9)
  - Smooth rock yet more gritty, it is said (6)
  - Twisted vines deteriorate? Fancy! (8)
  - More work in ideal environment (6)
- DOWN**
- Stock sheet has a tear in it (9)
  - Instructed, say, in tense (4)
  - Surface rocks first work in courts, possibly? (8)
  - Mark left on early murder victim (5)
  - Settle round university with the rest (7)
  - I am game for one show of intolerance (10)
  - Petition approved in vine production? (6)
  - Almost sure to come out in the spring (10)
  - Where we may see the beginning and end of the rainbow? (5,4)
  - Cease cotton fabric brownish-grey? Agree to differ? (8)
  - Concealment of crime accomplished in sporting competition (5,2)
  - Break first piece of English Spode, carelessly (6)
  - Guarantee states nothing, paradoxically (3,2)
  - Asian connection, we hear (4)

## Cricket

MARK BALDWIN  
reports from Harare  
England 175-9 v  
Mashonaland

England's hapless top-order disintegrated against Mashonaland yesterday, and only Robert Croft's defiant 66 not out enabled the tourists to finish a weather-interrupted first day here on 175 for 9.

Understandably, David Lloyd's patience is wearing thin. "Good players playing poorly" was the England coach's initial reaction to a day which began with the Sussex youngster James Kirtley sparking off a startling England slump to 27 for 4.

Lloyd praised Kirtley's effort in taking 4 for 44 but added: "Overall, they have a very ordinary bowling attack and I expect our performances to improve, and to improve quick."

"We were too tentative and we should be dominating more. Croft was the only one today

who looked to do that. Kirtley has always impressed me. I picked him for the TCCB XI against South Africa last August when he took eight wickets and helped win the match. But our batsmen are far better players than that and we have to start hitting our straps soon."

"You can't disguise we had a poor batting day. I'm not worried by it, though. We had two gormless run-outs and that's just annoying. I'm frustrated by this display and there are basic areas we have to work on."

England badly needed a good day to their opening four-day fixture after kicking off the tour with a one-day defeat against a President's XI on Sunday. What they got instead was an embarrassment to rank alongside some of the many below-par England performances of recent memory.

Kirtley has been in Zimbabwe since October and for the past week has been helping

England prepare by taking a full part in practice sessions.

Today, swinging the ball significantly, he removed Mike Atherton and Nasser Hussain in his new-ball burst and then returned after a session was lost to rain to earn himself two further scalps.

He said: "I have mixed feelings, to be honest. I wanted to do well for myself, but when the Tests and one-dayers against Zimbabwe start there will only be one team that I will be supporting, and that's England."

"I've enjoyed helping England out over the past week and I'm very pleased to have dismissed the England captain. But I would have been just as happy about that if he'd got 100."

Kirtley, a late replacement for the injured Eddo Brandes, last week marked his debut for Mashonaland by taking a hat-trick and having figures of 5 for 56. Today he would have finished with another five-wicket

haul but for dropped catches when Phil Tufnell had yet to score and with Croft on 49.

Kirtley could even have had Atherton for a first-ball duck as England's out-of-form captain survived a big low shout, ran the next ball down to third man for two, but then nicked the third delivery he faced to the wicket-keeper, Donald Campbell.

Alec Stewart chopped into his stumps against Bryan Strang when trying to withdraw his bat in the next over, the fourth of the innings, and England were suddenly 7 for 3 when Hussain did exactly the same thing to Kirtley in the 21-year-old's following over.

Nick Knight then ran himself out by charging back for an ill-advised third run and being sent back by Graham Thorpe, while John Crawley spoilt a composed 25 when he too was responsible for his own run-out.

By this time Thorpe had carved to point after scoring 35

and Crawley, dabbling the ball out on the off-side, perished to a fine piece of fielding from Paul Strang after setting off for a suicidal single that was quite correctly refused by Croft.

Andy Caddick did at least offer some good blows in support of Croft, who then accelerated past a valuable half-century after seeing Tufnell dropped at second slip.

Croft hooked and drove Bryan Strang for four and six from successive balls and had scored 21 runs from two overs when, somewhat inconspicuously, he accepted the offer of an early finish because of poor light.

**First day of four: England won toss**

England	175-9
M A Atherton c D J R Campbell b Kirtley	49
N Hussain b Kirtley	2
P B Cuff not out	35
G P Thomas c Houghton b Mashonaland	35
J P Crawley not out	56
D Gough c D J R Campbell b Kirtley	2
A C Caddick c D J R Campbell b Kirtley	19
A D Murray c Brent b Kirtley	3
P C R Tufnell not out	1
Extras (b4, w2, nb5)	11
Total (for 9, 62 overs)	175
Fast: S S, 2-4, 3-7, 4-27, 5-63, 6-88, 7-94, 8-128, 9-141	

**Mashonaland:** D L Houghton, S V Currie, G W Flower, A D R Campbell, D J R Campbell, C B Walters, D Houghton, P A Strang, B C Strang, G B Brent, R J Kirtley.



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CASTELLBLANCH - CONDE DE CARALT - FREIXENET - SEGURA VIUDAS

CAVA